

CITY OF CAMBRIDGE

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COMPETITIVE ELECTRIC SERVICE AGREEMENT

October 28, 2020

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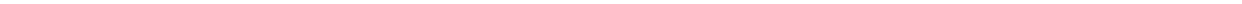
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Related Documents Attached to this Agreement and Incorporated by Reference:

- Exhibit A                      Prices and Terms
- Exhibit B                      Monthly Report of Sales
- Exhibit C                      RESERVED
- Exhibit D                      Customer Service Policy and Practices
- Exhibit E                      Service Contacts

Related Documents not Incorporated by Reference:

- Exhibit F                      Aggregation Plan



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This Competitive Electric Service Agreement (the “Agreement”) is entered into on this 28th day of October, 2020 by and between City of Cambridge, a Massachusetts municipal corporation with a principal place of business at 795 Massachusetts Avenue, Cambridge, Massachusetts, 02139 (“City”) by and through its City Manager and Direct Energy Services, LLC with a principal place of business at 12 Greenway Plaza, Suite 250, Houston, Texas 77046 a Delaware Limited Liability Company (the “Competitive Supplier”).

WHEREAS, the Massachusetts Legislature has adopted Chapter 164 of the Electric Utility Restructuring Act of 1997, (“Restructuring Act”), which, *inter alia*: (1) allows for competition in the generation and supply of electricity to consumers; (2) authorizes municipalities to aggregate the electrical load of electricity consumers within their boundaries; and (3) allows municipal aggregators to formulate municipal electricity aggregation plans and conduct aggregation programs; and

WHEREAS, the City is authorized pursuant to a vote of the City Council on June 6, 2016 to establish a municipal electricity aggregation plan and program; and

WHEREAS, the City developed a municipal electricity aggregation plan, which includes an electricity supply program (“Program”) to aggregate the electric loads of consumers located within Cambridge and to negotiate competitive rates for the supply of electricity for such consumers; and

WHEREAS, the City received approval of its Program from the Massachusetts Department of Public Utilities (“Department”) on April 27, 2017; and

WHEREAS, the Competitive Supplier desires to provide All-Requirements Supply (as defined, below) to consumers located within Cambridge pursuant to the terms and conditions of the Program and this Agreement; and

WHEREAS, the City desires that the Competitive Supplier provide All-Requirements Supply as an alternative to Basic Service (as defined, below) for consumers within the City.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and for the mutual promises set forth below, the City and Competitive Supplier agree as follows:

## **ARTICLE 1            DEFINITIONS**

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Capitalized terms that are used but not defined in the preamble and body of this Agreement, including the exhibits hereto, shall be defined as set forth in this Article I. The words defined in this Article I shall be given their common and ordinary meanings when they appear without capitalization in the text. Words not defined in this Article I shall be given their common and ordinary meanings.

**1.1     Aggregation Plan** - The City of Cambridge's Municipal Electricity Aggregation Plan, as adopted or amended by the City from time to time.

**1.2     All-Requirements Supply** – The service under which the Competitive Supplier provides all of the electrical energy, capacity, reserves, and ancillary services, transmission services, transmission to the Point of Delivery (as defined, below), distribution losses, congestion management, and all other services or products necessary to provide firm power supply to Participating Consumers (as defined, below) at the Point of Sale (as defined, below) in accordance with this Agreement. This supply service also includes any costs associated with meeting “Renewable Portfolio Standards” (“RPS”) (as defined in Exhibit A, below) at the levels required by applicable law.

**1.3     Bankruptcy** – With respect to a Party (as defined, below), (i) when such Party ceases doing business as a going concern, generally does not pay its debts as they become due or admits in writing its inability to pay its debts as they become due, files a voluntary petition in bankruptcy or is adjudicated bankrupt or insolvent, or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code or any other present or future applicable federal, state or other Governmental Rule, or seeks or consents to or acquiesces in the appointment of any trustee, receiver, custodian or liquidator of said Party or of all or any substantial part of its properties, or makes an assignment for the benefit of creditors, or said Party takes any corporate action to authorize or that is in contemplation of the actions set forth in this Clause (i); or (ii) when a proceeding is initiated against a Party seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code or any other Governmental Rule, and such proceeding is not dismissed within ninety (90) days after the commencement thereof, or any trustee, receiver, custodian or liquidator of said Party or of all or any substantial part of its properties is appointed without the consent or acquiescence of said Party, and such appointment is not vacated or stayed on appeal, or otherwise, within ninety (90) days after the appointment, or, within ninety (90) days after the expiration of any stay of such appointment, has not been vacated.

**1.5     Basic Service** – Electric supply service by the LDC (as defined below), as defined in M.G.L. c. 164, § 1 and in orders of the Department, as amended or promulgated, as the case may be, from time to time.

**1.6     Business Day** – any day except a Saturday, Sunday, or any other day on which banking institutions in Cambridge are required or authorized by any applicable federal, state or local law to be closed for business.

**1.7 Commercially Reasonable** – Any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known, or which in the exercise of due diligence, should have been known, at the time the decision was made, would have been expected in the industry to accomplish the desired result consistent with diligence, reliability, safety, expedition, and applicable laws and regulations.

**1.8** Intentionally Omitted.

**1.9 Customer Service Policies and Practices** – the customer service policies and practices provided by the Competitive Supplier as detailed in Exhibit D, below.

**1.10 Delivery Term** – The period for which prices for All-Requirements Supply have been established, as set forth in Exhibit A, below.

**1.11 DOER** – The Massachusetts Department of Energy Resources.

**1.12 EDI** – Electronic Data Interchange, which is the exchange of business data in a standardized format between business computer systems.

**1.13 Effective Date** – The date on which this Agreement is executed by the Parties (or, if the Parties execute on different dates, the date on which the last Party to execute the Agreement has executed such Agreement).

**1.14 Eligible Consumers** – With the exception of customers who receive Basic Service and have requested the LDC (as defined, below) to not enroll them in competitive supply and Basic Service customers enrolled in a green power product program that prohibits switching to a competitive supplier, Eligible Consumers shall include: (i) all residential, commercial, industrial, municipal, and/or other consumers of electricity who receive Basic Service from the LDC (as defined, below) as of the Effective Date, at one or more locations within the geographic boundaries of the City; or (ii) New Consumers (as defined, below); or (iii) consumers within the City that are supplied by third-party suppliers at the inception of the Program and are therefore ineligible, but that subsequently become eligible when those third-party supply contracts lapse. For the avoidance of doubt, all Eligible Consumers must reside or be otherwise located at one or more locations within the geographic boundaries of Cambridge as such boundaries exist on the Effective Date. Participating Consumers (as defined, below) are Eligible Consumers.

**1.15 FERC** – the Federal Energy Regulatory Commission.

**1.16 Force Majeure** – Any cause not within the reasonable control of the affected Party (as defined, below) that, through no fault of the affected Party, precludes that Party from carrying out, in whole or in part, its obligations under this Agreement, including, but not limited to: acts of nature; winds; hurricanes; tornadoes; fires; epidemics; landslides; earthquakes; floods; other natural catastrophes or occurrences; acts of a public enemy; acts, failures to act or orders of any kind of any governmental authorities acting in their regulatory or judicial capacity; insurrections; military action; war, whether or not it is declared; sabotage; riots; civil disturbances or explosions. Economic hardship of either Party shall not constitute an event of *Force Majeure*.

**1.17 General Communications** – The type of communications described and defined in Section 7.6, below.

**1.18 Governmental Authority** – Any national, state or local government or political subdivision thereof, independent system operator, regional transmission owner or operator, or any other governmental, judicial, regulatory, legislative, public or statutory instrumentality, authority, body, agency, department, bureau, board, commission or entity.

**1.19 Governmental Rule** – Any law, rule, regulation, ordinance, order, code, permit, interpretation, judgment, decree or similar form of decision or declaration of any Governmental Authority having the effect and force of law.

**1.20 ISO-NE** – The New England Independent System Operator, or such successor or other entity which oversees the integrated dispatch of power plants in New England and the bulk transmission of electricity throughout the New England power grid.

**1.21 kWh, kW** – Kilowatt-hour and kilowatts, respectively.

**1.22 LDC** – Local distribution company, or any successor company(ies) or entity(ies) providing electricity distribution services in the City.

**1.23 LDC Read Month** – The month in which the bulk of the monthly kWh usage occurs for a given meter read.

**1.24 Master Account List** – Has the meaning set forth in Section 12.1, below.

**1.25 Master Opt-Out File** – Has the meaning set forth in Section 5.2, below.

**1.26 Monthly Adder Report** – Has the meaning set forth in Section 12.1, below.

**1.27 Monthly Commissions Report** – Has the meaning set forth in Section 12.1, below.

**1.28 Monthly Usage Report** – Has the meaning set forth in Section 12.1, below.

**1.29 NEPOOL** – The New England Power Pool and its successors.

**1.30 New Consumers** – Residential, commercial, industrial, municipal or other consumers of electricity that become customers of the LDC after the date of the initial Opt-Out Notice (as defined, below) and are initially placed on Basic Service.

**1.31 New Consumer Notice** – Has the meaning set forth in Section 5.2, below.

**1.32 New Taxes** – Any taxes enacted by any Governmental Authority after the Effective Date or by any Governmental Rule effective after the Effective Date resulting in the application, for the first time, of any tax to Participating Consumers (as defined, below) with respect to All-Requirements Supply.

**1.33 Opt-In Procedure** – The procedure for enabling Eligible Consumers to affirmatively elect to take supply pursuant to the Program.

**1.34 Opt-Out Notice** – The notice provided to Eligible Consumers notifying them of their right to “Opt-Out” of purchasing All-Requirements Supply from the Competitive Supplier and as is further defined in Section 5.1, below.

**1.35 Opt-Out Procedure** – The procedure that enables Eligible Consumers to affirmatively elect not to participate in the Program and either remain on or revert to Basic Service.

**1.36 Participating Consumers** – Eligible Consumers enrolled in the Program. Eligible Consumers who have opted out of the Program are not Participating Consumers.

**1.37 Parties** – The City and Competitive Supplier, as the context requires. In the singular, “Party” shall refer to either one of the Parties.

**1.38 Point of Delivery** – The point of interconnection between NEPOOL pool transmission facilities included in the NEPOOL Open Access Transmission Tariff on file with the Federal Energy Regulatory Commission and the transmission facilities of the LDC.

**1.39 Point of Sale** – The electric meter for each Participating Consumer’s account as designated by the LDC.

**1.40 Program** – The Cambridge Municipal Electricity Aggregation Program (also known as the Cambridge Community Electricity Program) implemented pursuant to the Aggregation Plan.

**1.41 Refresh Mailing** – Has the meaning set forth in Section 5.2, below.

**1.42 Refresh Mailing List of New Consumers** – Has the meaning set forth in Section 5.2, below.

**1.43 Regulatory Event** – A change in a Governmental Rule by a Governmental Authority. A “change” as used herein may include, without limitation, any amendment, modification, nullification, suspension, repeal, finding of unconstitutionality or unlawfulness of a Governmental Rule by a Governmental Authority, or any change in construction or interpretation of a Governmental Rule by a Governmental Authority.

**1.44 Related Documents** - Aggregation Plan and Exhibits A, B, C, D and E.

**1.45 Renewable Energy** – as defined in M.G.L. c. 164, § 1: (i) resources whose common characteristic is that they are nondepletable or are naturally replenishable but flow-limited; or (ii) existing or emerging non-fossil fuel energy sources or technologies, which have significant potential for commercialization in New England and New York, and shall include the following: solar photovoltaic or solar thermal electric energy; wind energy; ocean thermal, wave, or tidal energy; geothermal; fuel cells; landfill gas; waste-to-energy which is a component of conventional municipal solid waste plant technology in commercial use; naturally flowing water and

hydroelectric; and low emission advanced biomass power conversion technologies using such fuels such as wood, by-products or waste from agricultural crops, food or animals, energy crops, biogas, liquid biofuel including but not limited to biodiesel, organic refuse-derived fuel or algae; provided, however, that renewable energy supplies shall not include coal, oil, natural gas except when used in fuel cells and nuclear power.

**1.46 Renewable Energy Certificate or REC** – A certification of the Renewable Generation Attribute derived from 1 MWH of Renewable Generation.

**1.47 Renewable Generation** – The electrical energy output of a Renewable Energy facility.

**1.48 Renewable Generation Attribute** – The Generation Attribute of the electrical energy output of a specific Renewable Energy facility that derives from the facility’s production of Renewable Generation.

**1.49 Retail Price** – As set forth in Exhibit A, below.

**1.50 Service Commencement Date** – The date of the Participating Consumers’ first meter read dates on or after January 15, 2021, as may be reasonably extended due to *Force Majeure* or due to act or omission of the LDC.

**1.51 Service Contacts** – Has the meaning set forth in Section 7.3, below.

**1.52 Small Commercial Consumer** – A non-residential consumer who, at the time of opting-into the Program, is determined to have a historical demand, for the preceding 12 months, of less than 10 kW.

**1.53 Term** – Has the meaning set forth in Section 6.1, below.

**1.54 Updated LDC Basic Service File** – Has the meaning set forth in Section 5.2, below.

**1.55 Very Large New Consumer** – A New Consumer which is expected to consume more than 1,000,000 kWhs per year.

## **ARTICLE 2      CONDITIONS PRECEDENT**

The City’s obligations under this Agreement shall be conditioned upon the Competitive Supplier fulfilling the following requirements:

- a) maintain its Competitive Supplier license from the Department pursuant to 220 CMR 11.05;
- b) execute a competitive electric supplier service agreement with the LDC in a form reasonably satisfactory to Competitive Supplier;
- c) execute any appropriate ISO-NE applications and agreements;

- d) obtain authorization from FERC to sell power at market-based rates; and
- e) complete EDI testing with the LDC.

If Competitive Supplier has not fulfilled all such requirements by the Effective Date, it shall notify the City in writing of the same, and the City may terminate this Agreement without any liability.

## **ARTICLE 3        RIGHTS GRANTED**

### **3.1        GENERAL DESCRIPTION AND LIMITATIONS**

Competitive Supplier is hereby granted the exclusive right to provide All-Requirements Supply to Participating Consumers pursuant to the terms of the Program as stated in the City's Aggregation Plan and this Agreement. Competitive Supplier shall be authorized to supply All-Requirements Supply only to Participating Consumers, and the LDC will continue to have the right and obligation to supply electricity to Eligible Consumers who opt-out of the Program and remain on or return to Basic Service. Competitive Supplier recognizes and agrees that this Agreement does not guarantee that any individual Eligible Consumer will be served by the Competitive Supplier.

In accordance with Article 5 below, all Eligible Consumers shall be automatically enrolled in the Program unless they choose to opt-out. In the event that the geographic boundaries of Cambridge change during the term of this Agreement, Competitive Supplier shall only be obligated to supply All-Requirements Service to those Participating Consumers located within Cambridge as such boundaries existed on the Effective Date. The Competitive Supplier has the sole obligation of making all necessary and appropriate arrangements, including, without limitation, with the LDC and ISO-NE to ensure that Participating Consumers receive, at the Point of Sale, the electricity to be supplied by the Competitive Supplier pursuant to this Agreement.

The City specifically authorizes the LDC to provide to Competitive Supplier all billing and energy consumption information for Participating Consumers as is reasonably available from the LDC, which Competitive Supplier may receive and use in fulfillment of its obligations under this Agreement, subject to, *inter alia*, the limitations set forth in this Agreement, including but not limited to the confidentiality provision in Article 17, below. Competitive Supplier shall request consumption data for individual Participating Consumers from the LDC via EDI. If further action is required by the LDC to authorize Competitive Supplier to receive such consumption and billing data, upon request of Competitive Supplier, the City agrees to use Commercially Reasonable efforts, at Competitive Supplier's cost, to assist Competitive Supplier, if so requested by it, in obtaining such information for Participating Consumers. Such assistance shall be limited to the execution of letters or documents prepared by Competitive Supplier expressing support for the acquisition of such data. Competitive Supplier shall not be responsible for any errors that Competitive Supplier makes in the provision of All-Requirements Supply to the extent such errors are caused by unknown errors or omissions contained in the information provided to it by the LDC.

## **ARTICLE 4      ROLE OF THE CITY**

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### **4.1      ROLE OF CITY**

Notwithstanding anything to the contrary in this Agreement, the City shall not receive, take title to, or be liable or responsible for the supply or delivery of, or the payments for, any All-Requirements Supply. It is and shall remain the sole obligation of the Competitive Supplier to arrange for delivery of All-Requirements Supply to Participating Consumers.

The Parties specifically agree that the role of the City is to:

- i) set the terms and conditions under which All-Requirements Supply will be provided by the Competitive Supplier under this Agreement and to ensure that the Competitive Supplier complies with those terms and conditions;
- ii) notify Competitive Supplier, through this Agreement or amendments thereto, of any City-imposed contractual terms and conditions under which All-Requirements Supply is to be provided by the Competitive Supplier under this Agreement;
- iii) reasonably assist the Competitive Supplier as set forth in Section 3.1, above, and Section 7.9 below, of this Agreement;
- iv) oversee the public information program provided that such responsibility shall not relieve the Competitive Supplier of its obligations, if any, set forth in this Agreement with respect to such program
- v) approve the Opt-Out Notice; and
- vi) to the extent the City elects, in its sole discretion and without having the obligation to do so and without creating any rights on behalf of any third party, act as consultant and advocate for Eligible Consumers with respect to the matters addressed in this Agreement.

Both Parties expressly agree that the remedies available to the Competitive Supplier in the event of City default are limited to the specific performance remedy described in Article 6, below.

### **4.2      CLAIMS OF ELIGIBLE/PARTICIPATING CONSUMERS**

The City is authorized under M.G.L. c. 164, § 134 to act on behalf of Eligible Consumers in contracting for electric supply for such Eligible Consumers under the Program, and may consult with and communicate with any or all Eligible Consumers and Participating Consumers in connection therewith. Unless prohibited by state or federal law, the City has the right (but not the obligation) to bring claims on behalf of Eligible Consumers or Participating Consumers against the Competitive Supplier in litigation arising under this Agreement. Nothing in this section is intended to create any rights under this Agreement on behalf of any third party.

#### **4.3 OWNERSHIP AND USE OF ELIGIBLE CONSUMER INFORMATION AND/OR DATA**

Competitive Supplier acknowledges and agrees that, as between the City and Competitive Supplier, the City shall have exclusive ownership of all right, title and interest in and to all Eligible Consumer information and/or data (including addresses, telephone numbers or other identifying information) made available by any person or entity to Competitive Supplier, in connection with or as a result of this Agreement.

The Parties agree and acknowledge that, unless an Eligible Consumer provides his, her or its permission, Eligible Consumer information and/or data provided to Competitive Supplier pursuant to this Agreement may be used only for the purposes of the Program as set forth in this Section 4.3 and as expressly provided in other areas of this Agreement, and except as otherwise provided in this Agreement, Eligible Consumer information and/or data shall not be given or sold, in whole or in part, to any third-party.

Competitive Supplier shall use Eligible Consumer information and/or data solely to provide All-Requirements Supply to Participating Consumers and to render other services expressly required or permitted under this Agreement, and for no other purpose. Any other use of Eligible Consumer information and/or data without the prior written consent of the City is strictly prohibited. Pursuant to such authorized use, Competitive Supplier may share such Eligible Consumer information and/or data with third-party vendors only as reasonably required for Competitive Supplier's provision of All-Requirements Supply or other performance pursuant to this Agreement (including, without limitation, collection of receivables), and provided that Competitive Supplier will inform any such vendor of the confidential nature of such data and impose upon them the use restrictions set forth in this Section 4.3 and elsewhere in this Agreement. Except as expressly provided in this Agreement, Competitive Supplier shall not disclose any Eligible Consumer information and/or data to any third-party and Competitive Supplier shall take all Commercially Reasonable measures to protect Eligible Consumer information and/or data from access by, or beneficial use for, any third-party. To the extent that the provision of All-Requirements Supply or other services under this Agreement requires that Competitive Supplier have access to or make use of any Eligible Consumer information and/or data, Competitive Supplier shall use such Eligible Consumer information and/or data in a manner consistent with the requirements of this Section 4.3, and treat such Eligible Consumer data as confidential information. Competitive Supplier may use Eligible Consumer information and/or data to engage in direct marketing to Eligible Consumers regarding electric supply services under the Program, but only during the term of this Agreement and subject to the terms set forth in Section 19.2, below. A violation of this Section 4.3 by the Competitive Supplier shall be grounds for termination under Section 6.2, below. Competitive Supplier agrees violation of this Section 4.3 shall constitute irreparable harm.

## **ARTICLE 5      CONSUMER CHOICE, NOTIFICATION OF RIGHTS, ENROLLMENT**

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### **5.1      CONSUMER CHOICE AND OPT-OUT RIGHTS AT PROGRAM INCEPTION**

The Parties acknowledge and agree that all Participating Consumers have the right, pursuant to M.G.L. c. 164, § 134 and the Program, as indicated in the City's Aggregation Plan, to change their source of electricity supply, as set forth in Article 5 at any time. The Parties shall not interfere with the right of Participating Consumers to opt-out of the Program, and shall comply with any rules, regulations or policies of the Department, the LDC and/or other lawful Governmental Authority regarding the procedures for opting out of the Program, or switching from one source of electric supply to another. Notwithstanding the foregoing, however, the Parties may take lawful, Commercially Reasonable measures to encourage Participating Consumers to affirmatively agree to remain in the Program, subject to any Governmental Rules.

In the event that the City launches a new aggregation, all Eligible Consumers will, as of the Effective Date, be automatically enrolled in the Program under the terms of this Agreement unless they opt-out. The City shall provide to Competitive Supplier a list of all Eligible Consumers as of the Effective Date, as well as such Eligible Consumers' service and billing addresses. Competitive Supplier shall notify each such Eligible Consumer:

- (i)      about the Program;
- (ii)     of the date on which such Eligible Consumer will be automatically enrolled in the Program;
- (iii)    that the Competitive Supplier will be providing All-Requirements Supply to such Eligible Consumer as of the same date, subject to the opt-out provisions of the M.G.L. c. 164, § 134, and the Plan; and
- (iv)     of the Opt-Out Procedure.

The City shall specify the design and content of the Opt-Out Notice, which may be in color and may include two (2) pages in addition to the reply form, but shall not exceed one ounce in weight. Competitive Supplier shall review the Opt-Out Notice and notify the City of any comments or concerns regarding the form or content of the notice. Once the design and content of the notice are finalized, Competitive Supplier shall, in the event that the City launches a new aggregation, at its cost and in accordance with the approved design and content, prepare, print, and mail, to each such Eligible Consumer, the Opt-Out Notice at least thirty (30) days prior to the date of automatic enrollment. The Opt-Out Notice shall:

- (i)      prominently state all charges to be assessed by the Competitive Supplier;
- (ii)     provide a summary of the prices and terms included in Exhibit A, below;

- (iii) fully disclose the prices and terms then being offered for Basic Service by the LDC;
- (iv) state how such Eligible Consumer may opt-out of the Program prior to enrollment and remain on Basic Service from the LDC;
- (v) state how all Participating Consumers, subsequent to enrollment, will also have the right to opt-out at any time and return to Basic Service or choose a new competitive supplier without paying a fee, charge or penalty to Competitive Supplier; and
- (vi) include a reply form and postage-paid reply envelope that Eligible Consumers may use to exercise their opt-out rights.

In the event that the City launches a new aggregation, Competitive Supplier shall commence All-Requirements Supply as of the Service Commencement Date to such Eligible Consumers that have not exercised their right to opt-out. All such Consumers shall then be deemed Participating Consumers and shall be entitled to receive supply at the prices listed in Exhibit A, below, and pursuant to the terms and conditions of this Agreement.

If any Opt-Out Notices are returned as undeliverable, the Competitive Supplier shall promptly make Commercially Reasonable Efforts to identify a correct mailing address and re-send the notice.

Once enrolled in the Program, Participating Consumers may opt-out at any time without paying any fee, charge or penalty.

The Parties acknowledge that the low income discounts provided by the LDC to low income consumers are not impacted by this Agreement.

## **5.2 NOTIFICATION TO NEW CONSUMERS OF OPT-OUT RIGHTS**

Throughout the Term of this Agreement, Competitive Supplier shall maintain a Master Opt-Out File, described in Article 12, below, that includes accurate records of: (a) all consumers within Cambridge who opted out after receiving an Opt-Out Notice and were not enrolled in the Program; and (b) all consumers that left the Program for any reason after they were enrolled in the Program. Once each month, throughout the Term of this Agreement, Competitive Supplier shall obtain from the LDC an updated file that identifies LDC consumers within Cambridge who are receiving supply from the LDC at Basic Service rates, hereinafter the “Updated LDC Basic Service File.” Once each month throughout the Term, Competitive supplier shall create a Refresh Mailing List of New Consumers that includes all consumers in the Updated LDC Basic Service File, excluding only consumers listed in the Master Opt-Out File

In accordance with the requirements of all applicable Governmental Rules, and within a reasonable time after the LDC notifies Competitive Supplier of the existence of a New Consumer (the “New Consumer Notice”) and has provided to Competitive Supplier such New Consumer’s account number, service, billing address, and any other necessary contact information, Competitive Supplier shall notify such New Consumer that the Competitive Supplier will be providing All-

Requirements Supply to such New Consumer, subject to the opt-out provisions of M.G.L. c. 164, § 134, the Program and the Program Opt-Out Notice. Competitive Supplier shall mail an Opt-Out Notice (as described in Section 5.1, above) to each such New Consumer listed in the Refresh Mailing List no later than thirty (30) days after the Service Commencement Date and then once every month for the remainder of the Term (hereinafter, “Refresh Mailing”). Such New Consumers shall be automatically enrolled into the Program on the first meter read date following the opt-out deadline in the Opt-Out Notice as described in Section 5.1, above. If the New Consumer is in the largest industrial rate class, Competitive Supplier may contact such New Consumer and reasonably determine if such New Consumer is expected to consume more than 1,000,000 kWhs per year. If Competitive Supplier reasonably determines, within ten (10) Business Days of receiving the New Consumer Notice from the LDC, that such New Consumer is expected to consume more than 1,000,000 kWhs per year, such consumer shall be designated a “Very Large New Consumer.”

Any New Consumer, other than a Very Large New Consumer, that does not elect to opt-out of the Program as provided in this Section 5.2 will be automatically enrolled in the Program, will be deemed a Participating Consumer and shall be entitled to receive supply at the prices listed in Exhibit A, below, pursuant to the terms and conditions of this Agreement. For Very Large New Consumers, promptly after determining that a New Consumer is a Very Large New Consumer, Competitive supplier shall quote a price at then prevailing market rates. Any Very Large New Consumer that accepts such market rate shall be enrolled in the Program and be deemed a Participating Consumer, and be entitled to receive supply at the market price quoted by the Competitive Supplier pursuant to the terms and conditions of this Agreement. The Competitive Supplier shall notify the City of all market prices offered to Very Large New Consumers.

### **5.3 CONSUMERS SUPPLIED BY THIRD PARTIES**

Consumers being served under other competitive supply programs offered by third parties are not eligible to participate in the Program and will not be automatically enrolled as Participating Consumers under this Agreement at the inception of the Program. If any such consumer terminates his/her/its third-party supply agreement, said consumer will then be eligible to participate in the Program. Any such residential consumer or Small Commercial Consumer may affirmatively opt-in to the Program, and pay the same price that is offered to New Consumers. All other consumers are entitled to participate at then prevailing market rates. Promptly after receiving notice of interest of any consumer described in this Section 5.3, the Competitive Supplier shall quote a price for participation in the Program at the price listed in Exhibit A, below, for residential and Small Commercial Consumers, and at then prevailing market rates for all other consumers described in this Section 5.3. Once enrolled in the Program, such consumer shall be deemed a Participating Consumer and be entitled to receive supply at the price quoted by the Competitive Supplier and otherwise pursuant to the terms and conditions of this Agreement.

The Competitive Supplier shall notify the City of all market prices offered to consumers under this section.

#### **5.4 CONSUMERS THAT OPT-OUT AND THEN OPT BACK IN**

Any consumer that elects to opt-out of the Program may subsequently elect to opt back in. Promptly after receiving notice of interest of such a consumer, the Competitive Supplier shall quote a price for participation in the Program at then prevailing market rates. If the price is acceptable to such consumer, the Competitive Supplier will assist the consumer with the Opt-In Procedure to enroll in the Program. Once enrolled, such consumer shall be deemed a Participating Consumer and be entitled to receive supply at the market price quoted by the Competitive supplier pursuant to the terms and conditions of this Agreement. The Competitive Supplier shall notify the City of all market prices offered to consumers under this section.

#### **5.5 ENROLLMENT**

The Competitive Supplier shall be responsible for enrolling all Eligible Consumers through EDI transactions submitted to the LDC for initial enrollment in the Program and for all subsequent enrollments of Eligible Consumers during the term of this Agreement.

#### **5.6 ERRORS OF LDC**

In providing the notifications and conducting the activities set forth in this Article 5, the Competitive Supplier may reasonably rely upon information provided to it by the LDC for the purpose of performing its obligations. Competitive Supplier will not be responsible for any unknown errors or omissions in connection with its notification of Eligible Consumers resulting from unknown errors or omissions contained in the information provided to it by the LDC.

Notwithstanding the foregoing, to the extent that any such error or omission resulted in the omission of Eligible Consumers from initial notification by the Competitive Supplier, upon becoming aware of such omission, the Competitive Supplier shall promptly provide All-Requirements Supply to such consumers on the same terms and conditions available to Eligible Consumers as of the date on which the Competitive Supplier receives notice of such omission.

### **ARTICLE 6 TERM OF CONTRACT AND TERMINATION**

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#### **6.1 TERM**

This Agreement shall commence on the Effective Date, *provided, however*, that Competitive Supplier's obligation to provide All-Requirements Supply shall commence on the Service Commencement Date, and shall terminate with the Participating Consumers' first meter read dates on or after January 15, 2024 unless terminated earlier pursuant to Section 6.2, below ("Term").

#### **6.2 TERMINATION**

This Agreement may be terminated at any time upon written notice:

- a) by either Party if the other Party fails to remedy or cure its breach of any material provision or material condition of this Agreement (excluding the failure to provide or arrange for

All-Requirements Supply, which is addressed in Section 6.2(c), below), within thirty (30) days following written notice to do so by the non-breaching Party; or

- b) by either Party if this Agreement or any material provision or material condition of this Agreement be finally adjudged invalid by any court or tribunal of competent jurisdiction, or if the Department or Government Authority exercises any lawful jurisdiction so as to invalidate or disapprove this Agreement in whole or in material part; or
- c) by the City in the event of the failure of the Competitive Supplier to provide or arrange for All-Requirements Supply to Participating Consumers unless and only to the extent that such failure is the direct result of: (i) *Force Majeure* as described in Section 19.6, below (for avoidance of doubt, termination of this Agreement as a result of *Force Majeure* is governed by Section 19.6, below); or (ii) the City's material default of this Agreement; *provided, however*, that the City shall not be permitted to terminate this Agreement if the Competitive Supplier's failure to provide or arrange All-Requirements Supply is entirely a direct result of actions or non-actions by any transmission service provider, the LDC, or the ISO-NE, unless such failure continues for sixty (60) days or longer. No delay by either Party in enforcing any of its rights hereunder shall be deemed a waiver of such rights; nor shall such a waiver of one default be deemed a waiver of any other subsequent default; or
- d) by the City in the event of the Bankruptcy of the Competitive Supplier or its guarantor.

### **6.3 OBLIGATIONS UPON TERMINATION**

Unless stated otherwise in this Agreement, following termination of this Agreement, the Parties' obligations under this Agreement shall cease, except that each Party shall remain responsible for any liabilities that arose prior to the date of termination of this Agreement, and all rights and privileges granted to and all other obligations imposed on the Competitive Supplier shall be extinguished, with the exception of the right to collect all monies due from Participating Consumers for services rendered to such consumers through the date of termination, and any obligation of Competitive Supplier to indemnify the City under this Agreement.

The Parties expressly agree that the remedies available to the Competitive Supplier in the event of City default are limited to specific performance as described in this Article 6.

In the event of any default by the City, therefore, the Parties expressly agree that Competitive Supplier is not eligible to seek recovery of any monetary damages or other losses from the City.

In addition to the right to seek monetary damages and exercise all rights and remedies available to it as a result of a material default by the Competitive Supplier under this Agreement, the City has the right, but not the obligation, to seek monetary damages from the Competitive Supplier on behalf of all or any Eligible Consumers or Participating Consumers. Accordingly, the Competitive Supplier specifically waives all rights it may have at law to claim that the City has no standing or otherwise lacks the authority to seek such monetary damages and exercise such rights and remedies on behalf of individual Eligible Consumers or Participating Consumers. Notwithstanding the foregoing, nothing herein is intended to create any rights under this Agreement in any third party.

#### **6.4 SPECIFIC PERFORMANCE**

Notwithstanding any other provision herein, the Parties agree that if the City, after receiving a default notice, and after the opportunity to cure that default within the cure periods described in section 6.2(a), above, fails to cure the default, Competitive Supplier shall be entitled to seek specific performance of this Agreement, and this shall be Competitive Supplier's sole and exclusive remedy for any default of the City. The Parties acknowledge and agree that because monetary damages are not available to Competitive Supplier under this Agreement, there is no remedy at law adequate to compensate Competitive Supplier for a material default of the City under section 6.2(a), above, and further agree that Competitive Supplier may suffer, in the event of such a default, irreparable harm.

#### **6.5 EXTENSION**

This Agreement may be extended beyond the expiration date of the Term by a written, signed amendment to this Agreement. Any new pricing terms and other new or amended terms shall be included in such amendment. Upon any such extension, this Agreement shall continue to be in effect throughout the extension period set forth in the amendment, and all provisions of this Agreement, as amended by the Amendment, shall retain the same force and effect as before the extension, unless earlier terminated by either Party pursuant to the provisions of Section 6.2, above.

### **ARTICLE 7 CONTINUING COVENANTS**

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The Competitive Supplier agrees and covenants to perform each of the following additional obligations during the term of this Agreement.

#### **7.1 STANDARDS OF MANAGEMENT AND OPERATIONS**

In performing its obligations hereunder, during the Term, the Competitive Supplier shall: (a) prudently and efficiently carry out its obligations under this Agreement; (b) assure that its facilities are prudently and efficiently managed; (c) employ an adequate number of competently trained and experienced personnel to fulfill its responsibilities; (d) deliver or arrange to deliver a safe and reliable supply of such amounts of electricity to the Point of Delivery as are required under this Agreement; (e) comply with all applicable Governmental Rules and industry standards and practices for the supply of electricity to Participating Consumers; (f) at all times with respect to Participating Consumers, implement the good customer service policies and practices as defined in Section 7.2, below; and (g) employ all Commercially Reasonable efforts, skills, practices, systems and methods in performance of its obligations.

#### **7.2 CUSTOMER SERVICE POLICIES AND PRACTICES**

The Competitive Supplier agrees to provide, or cause to be provided, Customer Service Policies and Practices to Participating Consumers as described more fully in Exhibit D, below. The City reserves the right to post Program-related information on the City's website that will be available

to Participating Consumers for general information, product and service information, and other purposes.

### **7.3 RESPONDING TO REQUESTS FOR INFORMATION**

The Competitive Supplier shall, during normal business hours (as set forth in Exhibit D, below), respond promptly and without charge to reasonable requests of the City for information or explanation regarding the matters covered by this Agreement and the supply of electricity to Participating Consumers. If such matter pertains to a particular consumer, and consumer consent is required by law, the City will secure such consent before requesting any information under this Section 7.3. Competitive Supplier agrees to designate a service representative or representatives (the "Service Contacts") who shall be available for these purposes, and shall provide the City with the office address and telephone number of such representative(s). Such Service Contacts shall be initially identified in Exhibit E, below. The Competitive Supplier shall update the names of such Service Contacts as necessary during the Term of this Agreement. Whenever necessary to comply with this Article, the Service Contacts shall call upon other employees or consultants of the Competitive Supplier to obtain such information or explanation as may be reasonably requested. Nothing in this Article shall be interpreted as limiting the obligation of the Competitive Supplier to respond to complaints or inquiries from Participating Consumers, or to comply with any regulation or requirement of the Department, Government Authority or Attorney General regarding customer service.

### **7.4 ARRANGING FOR FIRM ALL-REQUIREMENTS SUPPLY**

Competitive Supplier shall make all appropriate arrangements with the ISO-NE, any relevant regional transmission organization, wholesale suppliers or any other entity to ensure an uninterrupted delivery of reliable, safe and firm All-Requirements Supply (free and clear of any claims, liens and encumbrances) to the Point of Delivery, and shall make all appropriate arrangements and Commercially Reasonable efforts to cause the LDC to deliver such electricity (free and clear of any claims, liens and encumbrances) to Participating Consumers at the Point of Sale. In the event that the Competitive Supplier is unable to deliver sufficient electricity to the Point of Delivery to serve Participating Consumers, the Competitive Supplier shall promptly make all arrangements for an alternative supply as may be necessary to continue to serve Participating Consumers under the terms of this Agreement without interruption, and shall bear any costs it may incur in carrying out these obligations. Competitive Supplier shall not be responsible to the City or any Participating Consumers in the event that, through no fault of Competitive Supplier, the LDC disconnects, curtails or reduces service to Participating Consumers.

### **7.5 NON-DISCRIMINATORY PROVISION OF SERVICE**

Competitive Supplier shall supply electric energy to all Participating Consumers on a non-discriminatory basis; provided, however, that the prices and other terms of such supply may vary in accordance with Article 5, above, or the rate classifications as they appear in Exhibit A, below. Competitive Supplier's prices, terms and conditions shall be in accordance with all applicable Massachusetts General Laws, the regulations of the Department and any other Governmental Authority having jurisdiction, and other applicable Governmental Rules. The Competitive

Supplier may not deny service to a Participating Consumer for failure to pay the bills of a third party, including the LDC, any electric company (whether engaged in the distribution, transmission, supply, or generation of electricity) or of any other aggregator, marketer or broker of electricity, but may, to the extent allowed by law and regulation, reasonably deny or reasonably condition new service, or terminate existing service, based upon any Participating Consumer's failure to pay bills from the Competitive Supplier. Provision of electric energy supply to Participating Consumers shall be subject to Competitive Supplier's reasonable credit policies described in Exhibit A, below, to the extent permitted by law and regulation.

## **7.6 APPROVAL OF GENERAL COMMUNICATIONS**

Competitive Supplier shall cooperate with and assist the City in the drafting and sending of messages and information to Eligible Consumers concerning the Program or any matter arising under or related to this Agreement or the Program. Competitive Supplier shall, prior to sending any direct mail, advertising, solicitation, bill insert, electronic mail, or other similar written or electronic communication (collectively, "General Communications") to Participating Consumers (but excluding individually drafted or tailored communications responding to a specific complaint or communication of an individual consumer), provide a copy of such General Communication to the City for its review (for consistency with the City's purposes and goals) and approval. The City shall have the right to disapprove such General Communications and suggest revisions if it finds the communication inconsistent with the purposes and goals of the City, factually inaccurate or likely to mislead provided, however, that: (i) the communication shall be deemed approved if the City fails to respond within twenty (20) Business Days, (ii) no approval shall be necessary for any communication that: (a) concern an emergency situation involving any risk to the public health, safety or welfare; (b) has been approved by the Department or the DOER; or (c) are in the nature of routine monthly or periodic bills, or collection notices, except that any bill insert or message included at the bottom of such bill not within the scope of (a) or (b) above shall require advanced review and approval by the City; and (iii) no approval or lack of approval shall relieve the Competitive Supplier of its obligations and responsibility for its actions and omissions under this Agreement, or other than as set forth in sub-clause 'i' of this Section 7.6, result in a waiver of any rights, remedies or defenses of the City. The City may reject or exclude any proposed General Communication that, in its reasonable judgment, is contrary to the interests and objectives of the Program or the City.

## **7.7 PARTICIPATING CONSUMER LIST**

To the extent not prohibited by any Governmental Rule, Competitive Supplier shall, upon request of the City, provide a list of the Participating Consumers being served by the Competitive Supplier, including such reasonable identifying and consumption information as the City may also request, to the extent such information is available to Competitive Supplier. Competitive Supplier shall provide such Participating Consumer lists in an electronic format reasonably acceptable to both Parties and with no more frequency than once a month.

## **7.8 COMPLIANCE WITH LAWS**

The Parties shall promptly and fully comply with all existing and future Governmental Rules of all Governmental Authorities having jurisdiction over the activities covered by this Agreement.

## **7.9 CONSENT**

Whenever performance of an obligation of any Party hereto requires the consent or approval of any Governmental Authority, such Party shall make all Commercially Reasonable efforts to obtain such consent or approval. In the event the Competitive Supplier reasonably requests the City's assistance in obtaining such consent or approval and the City anticipates that it will incur costs in fulfilling the Competitive Supplier's request, it shall give the Competitive Supplier an estimate of such costs. Upon receiving the estimate, Competitive Supplier shall determine if it will continue to request the City's assistance, and if so, the Competitive Supplier shall reimburse the City for all costs reasonably incurred by the City in connection with such assistance.

# **ARTICLE 8 PRICES AND SERVICES; BILLING**

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## **8.1 SCHEDULE OF PRICES AND TERMS**

Competitive Supplier agrees to provide All-Requirements Supply and other related services as expressly set forth herein in accordance with the prices and terms included in Exhibit A, below.

## **8.2 OBLIGATION TO SERVE**

Competitive Supplier has the sole obligation to obtain sources of supply, whether from generating facilities owned or controlled by its affiliates, through bilateral transactions, or the market, as may be necessary to provide All-Requirements Supply for all Participating Consumers. Competitive Supplier, except as explicitly limited by the terms included in Article 5, above, shall be obligated to accept all Participating Consumers, regardless of their location or energy needs, subject to Competitive Supplier's credit policies described in Exhibit A, below, and to the extent permitted by law, and subject to the terms of any approval or other order of the Department with respect to this Agreement.

## **8.3 METERING**

The Parties acknowledge that the LDC will be responsible for all metering and the metered usage as reported by the LDC shall be the basis for all routine bills under this Agreement.

## **8.4 TERMS AND CONDITIONS PERTAINING TO INDIVIDUAL ACCOUNT SERVICE**

### **8.4.1 Title**

Title and risk of loss to All-Requirements Supply will transfer from Competitive Supplier to

Participating Consumers at the Point of Sale. The prices quoted in Exhibit A, below shall be inclusive of, and the Competitive Supplier will be responsible for, any and all losses incurred on the local network transmission systems and distribution systems, as determined by the LDC.

#### **8.4.2 Billing and Payment**

Unless otherwise specified in an exhibit to this Agreement, or agreed to by the Parties in writing, all billing under this Agreement shall be based on the meter readings of each Participating Consumer's meter(s) performed by the LDC, and Competitive Supplier shall cause the LDC to prepare and render bills to Participating Consumers on a monthly basis, and the billing and payment terms offered by the LDC to Basic Service customers shall apply to all billing under this Agreement. Any over-charge or under-charge will be accounted for in the next billing period for which actual meter data is available.

#### **8.4.3 Regional and Local Transmission**

The prices quoted in Exhibit A, below, do not include current and future charges for distribution service costs collected by the LDC under its distribution service tariff or local transmission costs as may be imposed by the regional power pool, ISO-NE or individual electric utilities that have FERC transmission tariffs. The Parties understand that these costs will be collected by the LDC in the same manner that such local transmission and distribution costs are collected from Basic Service customers.

#### **8.4.4 Taxes**

All sales, gross receipts, excise or similar taxes imposed with respect to the sale or consumption of All-Requirements Supply shall be included on the Participating Consumer's bill and shall be remitted to the appropriate taxing authority by Competitive Supplier. Participating Consumers shall be responsible for all sales taxes for sales to Participating Consumers under this Agreement. Participating Consumers shall be responsible for identifying and requesting any exemption from the collection of any tax by providing appropriate documentation to Competitive Supplier.

## **ARTICLE 9 DEVELOPMENT OR OFFERING OF RENEWABLE ENERGY SOURCES**

### **9.1 COMPLIANCE WITH RENEWABLE PORTFOLIO STANDARD**

Competitive Supplier hereby agrees that it will comply with the applicable provisions of G.L. c. 25A, §11F, §11F1/2, and any regulations, orders or policies adopted pursuant thereto.

### **9.2 GREEN OPTION**

Competitive Supplier hereby agrees that it will incorporate the Green Option (as further described in Exhibit A, below) into Competitive Supplier's provision of All-Requirements Supply under this Agreement and offer such program to interested Eligible Consumers.

## **ARTICLE 10 CUSTOMER SERVICE PROTECTIONS**

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Competitive Supplier shall post a copy of this Agreement on its website so that it is available to all Eligible Consumers and promptly provide a copy of this Agreement to any consumer, at no charge to the consumer, that contacts the Competitive Supplier and requests a copy. Competitive Supplier agrees that it shall comply with the provisions of 220 C.M.R. 11.00, 25.00, 26.00, 27.00, 28.00 and 29.00, as applicable to Competitive Suppliers, and any amendments thereto, and any code of conduct or policies the Department may adopt in accordance with M.G.L. c. 164, § 1F(7). The Competitive Supplier shall comply with the Customer Service Policies and Practices contained in Exhibit D, below, which Customer Service Policies and Practices shall include the Competitive Supplier’s plan for maintaining “service quality standards,” as that phrase is used in M.G.L. c. 164, § 1F(7), for complying with the “affirmative choice” requirements of M.G.L. c. 164, § 1F(8) and for handling consumer complaints, including any arbitration or dispute resolution procedures. The Competitive Supplier agrees to provide notice to the City of any consumer complaints received from a Participating Consumer, and to grant the City the right to participate in resolution of the dispute, to the extent that such complaints relate directly to the Program, and to the extent permitted by Department regulations and other applicable law.

In addition, and in accordance with the M.G.L. c. 164, § 1F(2) and 220 CMR 11.05(2)(b)(19) as such may be amended, restated and replaced from time to time, in the event of a dispute regarding an invoice or Competitive Supplier’s service under this Agreement, a Participating Consumer may contact the Department, which may refer the dispute to the Massachusetts Office for Dispute Resolution for mediation of such dispute, if the amount in dispute is greater than one hundred dollars (\$100.00) and the subject of the dispute is within the Department’s statutory and regulatory authority.

Nothing in this Article shall be construed to limit the rights provided to the City in Section 4.2, above.

## **ARTICLE 11 NON-DISCRIMINATION IN HIRING AND EMPLOYMENT**

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Competitive Supplier agrees to conduct its operations and activities under this Agreement in accordance with all applicable federal, state and local laws regarding non-discrimination in hiring and employment of employees.

## **ARTICLE 12 POWER SUPPLY INFORMATION AND ACCESS TO INFORMATION**

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### **12.1 POWER SUPPLY INFORMATION**

#### **12.1.1 Monthly Reports**

Once each month throughout the Term of this Agreement, Competitive Supplier shall provide the following reports to the City’s consultant identified in Exhibit A, below:

- a) **Master Account List**, which shall include all accounts, active or inactive, that were ever enrolled in the Program;

- b) **Master Opt-Out File**, which shall list: (a) all consumers who opted out after receiving an Opt-Out Notice but prior to enrollment; and (b) all consumers that have left the Program for any reason after they were enrolled;
- c) **Refresh Mailing List of New Consumers**, which shall include all consumers on the Updated LDC Basic Service File obtained from the LDC each month, excluding only any consumer listed in the Master Opt-Out File;
- d) **Monthly Usage Report**, which shall describe the usage reported to the Competitive Supplier by the LDC in the relevant LDC Read Month; and
- e) **Monthly Commissions Report**, which shall describe the commissions earned with respect to the usage in the relevant Monthly Usage Report.
- f) **Monthly Adder Report**, which shall describe the Operational Adder, described in Exhibit A, earned with respect to the usage in the relevant Monthly Usage Report

All of the above reports shall be provided on or before the deadlines described in Exhibit B, below, and shall include the data described in Exhibit B, below.

### **12.1.2 Standard of Care with Respect to Information or Data Submissions**

Competitive Supplier shall exercise reasonable care and use all Commercially Reasonable practices in reviewing, preparing and providing any information or data required under this Agreement. To the extent that Competitive Supplier determines that any information or data provided hereunder is in error, it shall promptly provide corrected information or data to the City or its consultant.

## **12.2 POWER SUPPLY REPORT**

Within fifteen (15) days of the end of each quarterly reporting period, Competitive Supplier shall present a copy of the current “Disclosure Label” required by the Department, pursuant to 220 CMR § 11.06, of all Competitive Suppliers to be disclosed to their Participating Consumers, which includes information pertaining to Competitive Supplier’s power supply and a reasonably detailed description of the sources of Competitive Supplier’s power supply used to serve Participating Consumers pursuant to this Agreement. Competitive Supplier shall post the “Disclosure Label” on its website under “City of Cambridge Power Supply Program.”

## **12.3 BOOKS AND RECORDS**

Competitive Supplier shall keep its books and records in accordance with any applicable regulations or guidelines of the Department, FERC and any other Governmental Authority.

## **12.4 COPIES OF REGULATORY REPORTS AND FILINGS**

Competitive Supplier shall provide to the City a copy of each public periodic or incident-related report or record relating to this Agreement that it files with any Massachusetts or federal agency regulating rates, service, compliance with environmental laws or compliance with affirmative action and equal opportunity requirements, unless the Competitive Supplier is required by law or regulations to keep such reports or records confidential.

## **ARTICLE 13 RESOLUTION OF DISPUTES; CHOICE OF LAW**

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### **13.1 CHOICE OF LAW**

This Agreement and the rights of the Parties shall be interpreted and determined in accordance with the laws of the Commonwealth of Massachusetts. Sole venue for any judicial proceeding involving a dispute arising from this Agreement shall be, as appropriate, any court of competent jurisdiction in the Commonwealth of Massachusetts, without regard to its rules regarding choice of laws.

### **13.2 DISPUTE RESOLUTION**

Unless otherwise expressly provided for in this Agreement, the dispute resolution procedures of this Section 13.2 shall be the exclusive mechanism to resolve disputes arising under this Agreement. The Parties agree to use reasonable efforts to resolve any dispute(s) that may arise regarding this Agreement. Any dispute that arises under or with respect to this Agreement shall in the first instance be the subject of informal negotiations between the Parties involved in the dispute. The dispute shall be considered to have arisen when one Party sends the other Party a written notice of the dispute. The period for informal negotiations shall be fourteen (14) days from receipt of the written notice of dispute unless such time period is modified by written agreement of the Parties. In the event that the Parties cannot resolve a dispute by informal negotiations, either Party may seek judicial enforcement subject to the provisions of this Agreement. Notwithstanding the foregoing, injunctive relief may be immediately sought without resorting to informal negotiations to prevent irreparable harm that would be caused by a breach of this Agreement. Furthermore, nothing in this Section 13.2 shall prevent a Party from terminating this Agreement in accordance with the terms thereof notwithstanding this Section 13.2 or any then-pending dispute resolution process.

## **ARTICLE 14 INDEMNIFICATION**

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### **14.1 INDEMNIFICATION BY COMPETITIVE SUPPLIER**

Competitive Supplier shall indemnify, defend and hold harmless the City and its officers, employees, officials, consultants, representatives and independent contractors (the “Indemnified Parties”) from and against any and all costs, liabilities, losses, judgments, damages and expenses (including reasonable attorney’s fees) arising out of third-party claims, demands, causes of action, suits or other proceedings and incurred by, on behalf of or involving the Indemnified Parties to the extent such claims, demands, causes of action, suits or other proceedings arise from or are in connection with: (i) any material breach by Competitive Supplier of its obligations, covenants,

representations or warranties contained in this Agreement; or (ii) Competitive Supplier's actions or omissions in connection with its performance of this Agreement to the extent that such actions or omissions were negligent or not Commercially Reasonable. Competitive Supplier further agrees, if requested by the City in writing to do so, to investigate, handle, respond to and defend any such claim, demand, cause of action, suit or other proceeding at Competitive Supplier's expense. The indemnification obligation of Competitive Supplier set forth above is in addition to and not in limitation or in lieu of any other rights and remedies available to the City. This provision shall survive the expiration or earlier termination of this Agreement.

#### **14.2 NOTICE OF INDEMNIFICATION CLAIMS**

If the City seeks indemnification pursuant to this Article, it shall notify Competitive Supplier of the existence of a claim as soon as practicable after learning of such claim, describing with reasonable particularity the circumstances, if known, giving rise to such claim. In that notice, the City may also request Competitive Supplier to investigate, handle, respond to and defend the City against any such claim. The Competitive Supplier shall respond to the City's notice within ten (10) Business Days of receipt of such notice with a written communication as to whether it agrees to indemnify (and, if requested by the City in its notice, to provide a defense to) the City for such claim. Upon written acknowledgment by the Competitive Supplier that it will assume the defense and indemnification of such claim, the Competitive Supplier may assert any defenses which are or would otherwise be available to the City. Any delay by the City in notifying the Competitive Supplier of the existence of a claim shall not constitute or result in a waiver of the Competitive Supplier's obligations under this Article.

#### **14.3 DUTY TO MITIGATE**

Competitive Supplier agrees that it has a duty to mitigate damages and covenants that it will use Commercially Reasonable efforts to minimize any damages that may be incurred as a result of its performance or non-performance of this Agreement.

#### **14.4 NO CLAIMS AGAINST THE CITY**

The Competitive Supplier shall make no claims against the City or its officers for any injury to any of its officers or employees or for damage to its equipment arising out of work contemplated by this Agreement.

### **ARTICLE 15 REPRESENTATIONS AND WARRANTIES**

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#### **15.1 BY THE COMPETITIVE SUPPLIER**

As a material inducement to entering into this Agreement, the Competitive Supplier hereby represents and warrants to the City as of the Effective Date as follows:

- a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and is qualified to conduct its business in those jurisdictions necessary for it to perform its obligations under this Agreement;

- b) it has all authorizations from any Governmental Authority necessary for it to legally perform its obligations under this Agreement or, if such authorizations are not required by law on the Effective Date, it will obtain such authorizations in a timely manner prior to when any performance by it requiring such authorization becomes due;
- c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms or conditions in its governing documents or any contract to which it is a party or any applicable Governmental Rule;
- d) subject to the conditions precedent set forth in Article 2, this Agreement constitutes a legal, valid and binding obligation of the Competitive Supplier enforceable against it in accordance with its terms, and the Competitive Supplier has all rights such that it can and will perform its obligations in conformance with the terms and conditions of this Agreement, subject to bankruptcy, insolvency, reorganizations and other laws affecting creditor's rights generally and general principles of equity;
- e) no Bankruptcy is pending against it or to its knowledge threatened against it;
- f) none of the documents or other written information furnished by or on behalf of Competitive Supplier to the City pursuant to this Agreement contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements contained herein or therein, in the light of the circumstances in which they were made, not misleading; and
- g) all information furnished by Competitive Supplier in response to the City's request for proposals for competitive electric supply services is true and accurate.

## **15.2 BY THE CITY**

As a material inducement to entering into this Agreement, the City hereby represents and warrants to Competitive Supplier as of the Effective Date of this Agreement as follows:

- a) this Agreement constitutes the legal, valid and binding obligation of the City enforceable in accordance with its terms, subject to applicable laws;
- b) the execution, delivery and performance of this Agreement are within the City's powers, have been, or will be duly authorized by all necessary action;
- c) the City has all authorizations from any Governmental Authority necessary for it to legally perform its obligations under this Agreement or will obtain such authorizations in a timely manner prior to when any performance by it requiring such authorization becomes due; and
- d) no Bankruptcy is pending or threatened against the City.

## **ARTICLE 16      INSURANCE**

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In order to help support the indemnification requirements provided in Article 14, above, and its other promises and covenants stated herein, Competitive Supplier shall provide and maintain throughout the term of this Agreement and any extension or renewal thereof the following insurance coverages with companies that are authorized and licensed in the Commonwealth of Massachusetts to issue policies for the coverages and limits so required:

a.      Workers' compensation insurance as required by the laws of the Commonwealth of Massachusetts and employer's liability insurance in the amount equal to the statutory limits.

b.      Commercial general liability insurance, \$5,000,000 combined single limit. Commercial general liability insurance shall include coverage for bodily injury liability, advertising injury liability, personal injury liability, broad form property damage liability, products/completed operations liability and broad form contractual liability. The insurance shall include a separation of interests clause, whereby the actions of one insured will not negate coverage for another insured. If the commercial general liability insurance limit is less than the amount required above, the difference must be made up by maintaining and evidencing an incrementally increased limit of excess liability insurance above that amount required in Section 15(d), below.

c.      Automobile liability insurance, covering all leased, owned, non-owned and hired vehicles - combined single limit of \$1,000,000.

d.      Excess liability insurance, umbrella form - \$5,000,000 combined single limit, which shall be following form, providing coverage over commercial general liability insurance, automobile liability insurance and employer's liability under workers' compensation insurance.

e.      If any of the above insurance coverages is written on a claims made basis, the policy retroactive date must always predate the effective date of this initial contract. Further, such policies must provide for an extended period of indemnity of at least thirty-six (36) months.

f.      The City and its public officials and employees shall be named as additional insureds on each such policy of commercial general liability insurance, excess liability insurance, umbrella form and automobile liability insurance.

g.      All certificates and policies shall contain the following provision:

“Notwithstanding any other provision herein, should any of the above policies be cancelled or materially amended before the expiration date thereof, the issuing company will mail thirty (30) days prior written notice thereof to the named certificate holder and to the City at the address listed in Section 19.3, below, before such cancellation or amendment shall take place.”

h.      Certificates evidencing such insurance in five (5) copies shall be furnished to the City at the execution of this Agreement. Such certificates shall not merely name the types of policies provided, but shall specifically refer to this Agreement and shall state that such insurance is as required by this Agreement, and that the general liability coverage includes failure to meet the

supply obligations under this Agreement.

i. The Competitive Supplier shall also be required to provide to the City with its proof of insurance coverage blanket endorsements or riders to the policies of commercial general liability insurance, automobile liability insurance and excess liability insurance, umbrella form indicating that the City and its public officials and employees are included as additional insureds on each such policy. Upon request, the Competitive Supplier will provide the City a copy of insurance policies maintained to satisfy the requirements herein.

j. No insurance shall be obtained from an insurer which:

- (1) is not licensed to sell insurance in the Commonwealth of Massachusetts or is not authorized to provide insurance as an excess or surplus lines insurer, and
- (2) does not have a current A.M. Best's rating/financial size category of A minus/VIII or better.

k. Failure to provide and continue in force such insurance as aforesaid shall be deemed a material breach of this Agreement and shall operate as an immediate termination thereof.

l. The Competitive Supplier shall provide to the City a copy of a certificate of insurance that provides evidence of all environmental liability insurance maintained by the Competitive Supplier.

## **ARTICLE 17      CONFIDENTIALITY**

Competitive Supplier acknowledges that the City is subject to certain laws pertaining to the use and release of documents and records prepared or received by a public body, including without limitation, M.G.L. c. 4, § 7, cl. 26; M.G.L. c. 66, § 10; and M.G.L. c. 30A, §§ 18-25, and that any document that is deemed a "public record" under such laws (hereinafter a "Public Record") will be released, unless exempt from disclosure pursuant to an exemption in any of the above referenced "Public Records" laws or any applicable Governmental Rule, to any requesting person without notice to any Party notwithstanding anything to the contrary in this Agreement, including this Article 17.

Subject to the foregoing:

To the extent information shared between the Parties is not a Public Record, each Party shall comply with such laws and any other Governmental Rules addressing the confidentiality of such information.

This Agreement once executed will be deemed a Public Record and treated as such.

Subject to the foregoing, the information related to this Agreement that is considered Confidential Information shall include the following:

- a) any data and/or information regarding Eligible Consumers, including without limitation, billing and energy consumption information;
- b) any account information related to the Participating Consumers including, without limitation, historic usage data, metering, and billing and payment information;
- c) any information regarding transactions entered into by Competitive Supplier and any third parties in connections with the provision of All-Requirements Supply;
- d) any list of Participating Consumers;
- e) any information disclosed by a Party during any settlement discussions that is not reduced to an executed settlement agreement;
- f) Competitive Supplier's insurance policies;
- g) any financial security instruments(s) provided by Competitive Supplier; and
- h) any additional information which either Party marks as "Confidential" at the time of the release of the Information and persuasively justifies that such information fits within one of the exemptions to the applicable Public Records laws.

## **ARTICLE 18      REGULATORY EVENT/NEW TAXES**

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If, after the Effective Date, a Regulatory Event occurs or any New Taxes are imposed, and such event or taxes have a direct, material and adverse effect on the economic benefits to a Party of this Agreement, the affected Party shall send written notice to the other Party setting forth the Regulatory Event or New Taxes and reasonably demonstrating the effect of the same on the affected Party. Upon delivery of such notice, the Parties shall use reasonable efforts to negotiate an amendment to this Agreement to mitigate such effect. Alternatively, if, as a direct result of such Regulatory Event or New Tax, Competitive Supplier incurs additional, material costs, Competitive Supplier shall provide a written notice to the City that documents: a) the effective date of the Regulatory Event or New Tax; b) a detailed explanation and reasonable demonstration of the material cost incurred as a result of the Regulatory Event or New Tax; c) the timing of the cost impact to be incurred by the Competitive Supplier; d) the proposed price increase per kWh to be passed on to Participating Consumers; e) a proposed plan for coordinating with the LDC for an increase in the price per kWh that is billed by the LDC and designed to reimburse the Competitive Supplier for such cost impact. If the City and the Competitive Supplier cannot agree on an amendment to this Agreement or reimbursement contemplated by this Article, the Parties shall engage in informal negotiations over any such dispute for a period of thirty (30) days. At the expiration of the time period for informal negotiations, the Parties may agree to extend the informal negotiation period for another thirty (30) days or submit any such dispute to non-binding mediation. If the Parties do extend the informal negotiation period and are unable to resolve a dispute, the parties shall submit such dispute to non-binding mediation at the expiration of the extended informal negotiation period. Within thirty (30) days following the expiration of the

informal negotiation period or the extended informal negotiation period, whichever is applicable, the Parties shall propose and agree upon a neutral and otherwise qualified mediator. The mediation shall occur within fifteen (15) Business Days from the appointment of the mediator, unless such time period is extended by written agreement of the Parties. The Parties shall not be required to mediate their dispute for longer than a single, six (6) hour day. The decision to continue mediation shall be in the sole discretion of each Party. The Parties will bear their own costs of the mediation. The mediator's fees shall be shared equally by the Parties. In the event that the Parties cannot resolve a dispute by informal negotiations and by non-binding mediation, either Party may terminate the Agreement with thirty (30) days' notice to the other parties.

## **ARTICLE 19 MISCELLANEOUS**

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### **19.1 NO ASSIGNMENT WITHOUT PERMISSION**

Other than in connection with a sale of all or substantially all of its competitive electric supply business, Competitive Supplier shall not assign its rights and privileges under this Agreement without the prior written approval of the City. Such approval may be denied at the reasonable discretion of the City if it determines that the proposed assignee does not have at least the same financial ability, experience and qualifications as the assigning Competitive Supplier. Notwithstanding the foregoing, the City may not unreasonably withhold its consent to an assignment to an affiliated entity under common control or management with Competitive Supplier or Competitive Supplier's corporate parent that has the financial ability, qualifications and experience to fulfill all obligations of Competitive Supplier under this Agreement, and which agrees, in writing to be bound by the terms and conditions of this Agreement. By making any assignment under this Article, Competitive Supplier shall be deemed to have represented and warranted to the City that the assignee possesses such financial ability, qualifications and experience. The City may assign this Agreement without the prior consent of Competitive Supplier. The rights and obligations created by this Agreement shall inure to the benefit of, and be binding upon the successors and permitted assigns of, the respective Parties hereto.

### **19.2 NEW PRODUCTS/SERVICES; DIRECT MARKETING**

Except as provided in this Section 19.2, Competitive Supplier shall not engage in any "direct marketing" to any Cambridge consumer. "Direct marketing" shall mean marketing, selling or promoting to any Cambridge consumer anything, product or service excluding the sale of electricity conducted under the Program in accordance with the terms and conditions of this Agreement. Notwithstanding the foregoing, "direct marketing" shall not include generic corporate marketing programs directed at all Competitive Supplier's consumers in general, as opposed to marketing efforts directed at Cambridge consumers.

Prior to the introduction of any new product or service that Competitive Supplier desires to make available to Participating Consumers or other Eligible Consumers, Competitive Supplier agrees to: (i) give the City advance written notice of such new product or service; and (ii) discuss with the City the possible inclusion of such new product or service in the Program or another City aggregation program. The Parties agree to negotiate in good faith the terms, conditions and prices for such products and services that the Parties agree to include in the Program or another City

aggregation program. Any agreement of the Parties, including such terms, conditions and prices, shall be in writing. Nothing in this paragraph shall require the City to agree to any new product or service that Competitive Supplier desires to make available to Participating Consumers or other Eligible Consumers.

### **19.3 NOTICES**

All notices, demands, requests, consents or other communications required or permitted to be given or made under this Agreement shall be in writing and addressed to:

If to Competitive Supplier:

Direct Energy Services, LLC  
12 Greenway Plaza, Suite 250  
Houston, TX 77046  
Attn: Vice President, NAH

With copy to:

Direct Energy Services, LLC  
12 Greenway Plaza, Suite 250  
Houston, TX 77046  
Attn: Managing Counsel, NAH

If to City:

City of Cambridge  
ATTN: City Manager  
City Hall  
795 Massachusetts Avenue  
Cambridge, Massachusetts 02139

WITH A COPY TO:

City of Cambridge  
ATTN: City Solicitor  
City Hall  
795 Massachusetts Avenue  
Cambridge, Massachusetts 02139

Notices hereunder shall be deemed properly served: (i) by hand delivery on the day and at the time on which delivered to the intended recipient at the address set forth in this Agreement; (ii) if sent by mail, on the third Business Day after the day on which deposited in the United States certified or registered mail, postage prepaid, return receipt requested, addressed to the intended recipient at its address set forth in this Agreement; or (iii) if by Federal Express or other reputable express mail service, on the next Business Day after delivery to such express mail service, addressed to the

intended recipient at its address set forth in this Agreement. Any Party may change its address and contact person for the purposes of this Section 19.3 by giving written notice thereof in the manner required herein.

#### **19.4 CHANGES IN EMERGENCY AND SERVICE CONTACT PERSONS**

In the event that the name or telephone number of any emergency or service contact for the Competitive Supplier changes, Competitive Supplier shall give prompt oral or written notice to the City.

#### **19.5 ENTIRE AGREEMENT; AMENDMENTS**

This Agreement and the Related Documents constitute the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings between the Parties relating to the subject matter hereof. This Agreement may only be amended or modified by a written instrument signed by all Parties hereto.

#### **19.6 FORCE MAJEURE**

If by reason of *Force Majeure* either Party is unable to carry out, either in whole or in part, its obligations herein contained, such Party shall not be deemed to be in default during the continuation of such inability, provided that: (i) the non-performing Party, within fourteen (14) days after the event of the *Force Majeure*, gives the other Party hereto written notice describing the particulars of the event; (ii) the suspension of the performance is of no greater scope and of no longer duration than is required by the event of *Force Majeure*; (iii) no obligations of the Party which were to be performed prior to the occurrence causing the suspension of performance shall be excused as a result of the event; and (iv) the non-performing Party shall use all Commercially Reasonable efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its obligations and to mitigate the effects thereof. If any event of *Force Majeure* continues for a period of sixty (60) days or longer, either Party may terminate this Agreement by sending the other Party a written notice; *provided, however*, that neither the existence of such an event nor the termination of this Agreement on account thereof as aforesaid shall constitute a default of any Party and shall not give rise to any damages.

#### **19.7 EXPENSES**

Each Party hereto shall pay all expenses incurred by it in connection with its entering into this Agreement, including, without limitation, all of its attorneys' fees and expenses, except as otherwise expressly provided in this Agreement.

#### **19.8 NO JOINT VENTURE**

Competitive Supplier will perform all services under this Agreement as an independent contractor. Nothing herein contained shall be deemed to constitute either Party a partner, agent or legal representative of the other Party or to create a joint venture, partnership, agency or any relationship

between the Parties. The obligations of the City and the Competitive Supplier hereunder are individual and are neither collective nor joint in nature.

### **19.9 JOINT WORK PRODUCT**

This Agreement shall be considered the work product of the Parties hereto, and, therefore, no rule requiring construction of the Agreement against a Party alleged to be responsible for drafting the Agreement shall be applied against either Party.

### **19.10 COUNTERPARTS**

This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single agreement. Facsimiles and or copies of signatures shall be deemed originals for purposes of the execution of this Agreement.

### **19.11 COST RECOVERY**

The Parties acknowledge that the price for energy as described in Exhibit A, below, includes the commission paid to the City's consultant as described in Exhibit A, below, to cover the cost of developing, implementing and operating the Program. The Competitive Supplier agrees to include this cost adder in the Price for energy, and to make the monthly commission payments on behalf of Participating Consumers in the manner described in Exhibit A, below, and acknowledges this obligation as a material obligation of this Agreement.

### **19.12 WAIVER**

No waiver by either Party hereto of any one or more defaults by the other Party in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default, whether of like or different character. No failure on the part of either Party hereto to complain of any action or omission on the part of the other Party, no matter how long the same may continue, shall be deemed to be a waiver of any right hereunder by the Party failing to complain. A waiver of any of the provisions of this Agreement shall only be effective if unequivocal, and made in writing and signed by the Party who is making such waiver.

### **19.13 AGGREGATION PLAN**

Competitive Supplier agrees that it has been provided with and had a reasonable opportunity to examine, and has examined, the Aggregation Plan, and has not discerned any conflicts between this Agreement and the Aggregation Plan. The Parties agree that the Aggregation Plan, in the form as it exists on the Effective Date, shall be construed harmoniously with this Agreement to the

greatest practicable extent. Notwithstanding the foregoing, in the event of any conflict between this Agreement and the Aggregation Plan, the Agreement shall govern.

#### **19.14 ADVERTISING LIMITATIONS**

Competitive Supplier agrees not to use the name of the City, or make any reference to the City, in any advertising, publication or other information to be distributed publicly for marketing or educational purposes unless the City expressly agrees to such usage. Any proposed use of the name of the City must be submitted in writing for agreement and prior approval. The City acknowledges that the Competitive Supplier and/or the Competitive Supplier's corporate affiliates own the exclusive rights to the trademarked logo and trade name used by Competitive Supplier. No right, license or interest in this trademark and/or trade name is granted to the City hereunder, and the City agrees that it shall not assert any right, license or interest with respect to such trademark and/or trade name.

#### **19.15 PRESS RELEASES**

The City reserves the right to issue press releases or other similar public communications with respect to this Agreement and the Program in general without the prior review, approval or agreement of the Competitive Supplier, provided that the City shall give three (3) business days' notice to the Competitive Supplier of any press release that mentions the Competitive Supplier by name. The purpose of this notice requirement is to provide opportunity to the Competitive Supplier to reasonably comment on the content of such press release and to give the City the opportunity to take such comments into consideration before making the final discretionary decision regarding the content of any such press release. Whether or not a response is received by the City within such three (3) business day period, the City may, in its sole discretion, issue the press release.

#### **19.16 HEADINGS AND CAPTIONS**

The headings and captions appearing in this Agreement are intended for reference only, and are not to be considered in construing this Agreement.

#### **19.17 SURVIVAL OF OBLIGATION**

Termination of this Agreement for any reason shall not relieve the City or the Competitive Supplier of any obligation accrued or accruing prior to such termination.

#### **19.18 REMEDIES**

##### **A. General**

Subject to the limitations set forth in this Article and Article 6, above, the City and Competitive Supplier reserve, and shall have, all rights and remedies available to each of them at law or in equity with respect to the performance or non-performance of the other Party under this Agreement.

##### **B. Limitations**

NEITHER PARTY HERETO SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES BY STATUTE, IN TORT OR CONTRACT. THIS LIMITATION SHALL NOT APPLY TO CLAIMS OF THE CITY AGAINST THE COMPETITIVE SUPPLIER FOR INDEMNIFICATION OF THIRD-PARTY CLAIMS UNDER ARTICLE 14, ABOVE, OR APPLICABLE LAW BUT ONLY TO THE EXTENT OF SUCH THIRD-PARTY CLAIMS.

#### **19.19 COMPLIANCE WITH LAWS**

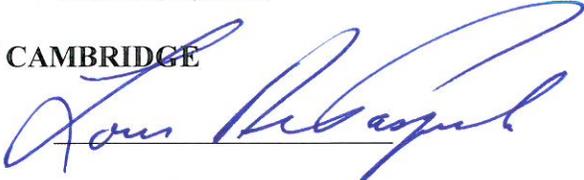
By entering into this Agreement, the Competitive Supplier specifically represents that it has exercised due diligence to review and has fully complied with all relevant regulations and orders of the FERC, the Department, the Massachusetts Attorney General and the DOER and any other Governmental Authorities having jurisdiction over any element of the transactions contemplated by this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

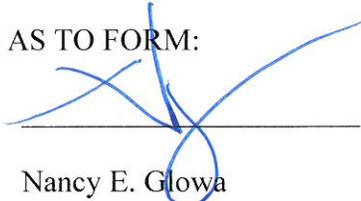
**COMPETITIVE SUPPLIER**

By:   
Name: Brent Gaskamp  
Title: Vice President, Business Development  
Address: 12 Greenway Plaza, Suite 250, Houston, TX 77046  
Dated: October 28, 2020

**CITY OF CAMBRIDGE**

By:   
Name: Louis A. DePasquale  
Title: City Manager  
Address: Cambridge City Hall, 795 Massachusetts Avenue, Cambridge, MA 02139  
Dated: October 28, 2020

**APPROVED AS TO FORM:**

By:   
Name: Nancy E. Glowa  
Title: City Solicitor  
Address: Cambridge City Hall, 795 Massachusetts Avenue, Cambridge, MA 02139  
Dated: October 28, 2020

**EXHIBIT A**  
**CAMBRIDGE**  
**PRICES AND TERMS**

**Prices**

All prices are full requirements quoted in \$ per kWh, one combined price for all rate classes, and include a minimum of the RPS / APS supply mix required by M.G.L. c 25A.

Start date: meter reads on or after **January 15, 2021**

End date: meter reads on or after **January 15, 2024**

**Standard Product:** all participants are enrolled in this option unless they opt out.

REC Requirements		Price
(RPS/APS mix)	<i>Statutory requirement</i>	\$0.10000
Total		\$0.10000

**Optional Greener Product:** to enroll, participants must affirmatively opt in.

REC Requirements		Price
Standard Product	Total of table above	\$0.10000
MA Class 1 Voluntary	2021 - 82% of load	\$0.03469
	2022 - 80% of load	
	2023 - 78% of load	
	2024 - 76% of load	
Total	100% of load minus statutory requirement	\$0.13469

“Voluntary RECs” means Renewable Energy Certificates that are in addition to RECs required by MGL c 25A.

**Terms for System Supply Service**

**Renewable Energy in System Supply:**

1. **Renewable Portfolio Standard:** The Competitive Supplier shall include Renewable Energy in the All-Requirements Supply mix in an amount no less than that required by any Governmental Authority, including laws, regulations or policies adopted pursuant to the provisions of M.G.L. c. 25A, §§ 11F and 11F1/2, starting with the requirement on the Service Commencement Date, or pay all penalties imposed by any Governmental Authority related to Renewable Energy requirements.
2. **Standard Product:** See above table. The Standard Product prices quoted above includes the cost to meet the Massachusetts RPS and APS requirements plus the purchase of RECs as specified above.
3. **Green Option:** The Green Option includes the purchase of MA Class I RECs as specified in the table above

Competitive Supplier shall identify the technology, vintage and location of the renewable generators that are the sources of the RECs for the Standard and the Green Option. All such RECs shall be created and recorded in the New England Power Pool Generation Information System or be certified by a third party satisfactory to the City, such as Green-e.

**Term:** The period of delivery of All Requirements Supply shall commence and terminate pursuant to the start date and end date set forth in page 38, above.

**Eligible Consumer Opt-Out:** Participating Consumers are free to opt out of the Program. There are no fees, penalties or charges for Participating Consumers to opt out or terminate service at any time.

**Competitive Supplier's Standard Credit Policy:** The Competitive Supplier will not require a credit review for any consumer participating in the Program nor does Competitive Supplier require any consumer to post any security deposit as a condition for participation in the Program. The Competitive Supplier may terminate service to a Participating Consumer and return such consumer to a Basic Service in the event that the Participating Consumer fails to pay to Competitive Supplier amounts past-due greater than sixty (60) days.

**Consultant Commission:** All prices quoted above include a commission fee equal to \$0.00075 (3/4 mil) per kWh of Participating Consumers' actual usage payable to Mass Power Choice, LLC, the consultant hired by the City to develop, implement and administer the Program. The Competitive Supplier agrees to include this commission fee in the price for energy and to make the monthly commission payments on behalf of Participating Consumers and acknowledges this obligation as a material obligation of this Agreement. The Competitive Supplier shall pay the commission fee in monthly installments ten (10) Business Days following receipt by Competitive Supplier of the meter readings of Participating Consumer's meter(s) in any given LDC Read Month This provision shall be binding upon the Parties and all permitted assigns and other successors-in-interest of the Parties. Except as provided in this provision, there shall be no other third-party beneficiaries to this Agreement.

**Operational Adder:** In addition to the prices quoted above, Competitive Supplier shall collect an Operational Adder, if so directed by the City, in an amount established by the City, pursuant to the

thirty (30) day notice provisions of this section. The City shall provide a minimum of thirty (30) day notice to implement the Operational Adder, and may do so no more than two times in any 12 month period. A notice by the City to implement the collection of the Operational Adder shall be implemented by the Supplier in the bills to Participating Consumers on the first meter read for each Participating Consumer occurring a minimum of thirty (30) days following the City's notice, unless the City establishes a later meter read date in such notice. The Competitive Supplier agrees to include this Operational Adder in the price for energy and to make the monthly payments to the City on behalf of Participating Consumers, and acknowledges this obligation as a material obligation of this Agreement. The Competitive Supplier shall pay the Operational Adder to the City ten (10) Business Days following receipt by Competitive Supplier of the meter readings of each Participating Consumer's meter(s) in any given LDC Read Month. The City will provide the Competitive Supplier with information associated with the relevant City bank account so that the Competitive Supplier can electronically deposit the Operational Adder directly into said account through Automated Clearing House ("ACH"). This provision shall be binding upon the Parties and all permitted assigns and other successors-in-interest of the Parties.

**EXHIBIT B**

**MONTHLY REPORTS**

In the month following every month of the Agreement, the Competitive Supplier shall provide the following six (6) reports to the consultant listed in Exhibit A, above:

- 1) **Master Account List:** This list shall be updated monthly by the Competitive Supplier and shall include information, as described in Table 1, below, regarding any consumer that ever enrolls into the Program and shall be provided to the City's consultant no later than ten (10) Business Days following the close of any LDC Read Month.
- 2) **Master Opt-Out File:** This file shall be updated monthly by the Competitive Supplier and shall include information, as described in Table 1, below, regarding any consumer that opted out of the Program after receiving an Opt-out Notice but prior to being enrolled in the Program, as well as any consumer that enrolled in the Program and then left the Program for any reason, and shall be provided to the City's consultant no later than ten (10) Business Days following the close of any LDC Read Month.
- 3) **Refresh Mailing List of New Consumers:** This mailing list shall be created every month by the Competitive Supplier and shall include the information as described in Table 1, below regarding every consumer listed in the Updated LDC Basic Service File, described in Article 5, above, excluding only consumers in the Master Opt-Out File. This mailing list shall be provided to the City's consultant listed three (3) Business Days prior to printing the monthly Refresh Mailing described in section 5.2, above.
- 4) **Monthly Usage Report:** This monthly report shall be prepared by the Competitive Supplier, shall include the data listed in Table 2, below, regarding any accounts for which the LDC provided meter read data to the Competitive Supplier since the previous Monthly Usage Report, or with respect to the first such report, data concerning any accounts for which the LDC provided meter read data to the Competitive Supplier since the Service Commencement Date, and shall be provided to the City's consultant no later than ten (10) Business Days following the close of any LDC Read Month.
- 5) **Monthly Commission Report:** This monthly report shall be prepared by the Competitive Supplier, shall include the data listed in Table 2, below, regarding commissions earned for any usage which the LDC provided meter read data to the Competitive Supplier, as described in the relevant Monthly Usage Report, and shall be provided to the City's consultant no later than fifteen (15) Business Days following the close of any LDC Read Month.
- 6) **Monthly Adder Report:** This monthly report shall be prepared by the Competitive Supplier, shall include the data listed in Table 2, below, regarding the adder payment earned for any usage which the LDC provided meter read data to the Competitive Supplier, as described in the relevant Monthly Usage Report, and shall be provided to the City's consultant no later than fifteen (15) Business Days following the close of any LDC Read Month.

**Table 1: Data Fields to be included in the following three (3) monthly reports:**

<b>Master Account List</b>	<b>Master Opt Out List</b>	<b>Refresh Mailing List</b>
Name of Aggregation	Name of Aggregation	Name of Aggregation
LDC Account Number	LDC Account Number	LDC Account Number
Name of Utility	Name of Utility	Name of Utility
Rate Class	Rate Class	Rate Class
Customer Name	Customer Name	Customer Name
Name Code	Name Code	Name Code
Service Street and number	Service Street and number	Service Street and number
Service City	Service City	Service City
Service State	Service State	Service State
Service Zip Code	Service Zip Code	Service Zip Code
Mailing Street and number	Mailing Street and number	Mailing Street and number
Mailing City	Mailing City	Mailing City
Mailing State	Mailing State	Mailing State
Mailing Zip Code	Mailing Zip Code	Mailing Zip Code
Opt Out Notice Mailing Date	Opt Out Notice Mailing Date	Opt Out Notice Mailing Date
Acct Status (Active/Inactive)	Acct Status (Active/Inactive)	
Acct Start date	Acct Start date (if ever enrolled)	
Acct End date (if Inactive)	Acct End date (if ever enrolled)	
Tax Exempt (Yes/No)	Opt Out Method (return card, by phone, moved, by utility initiative, or other)	
Read Cycle	Opt Out Date	
Load Zone		
Opt In Date (if applicable)		

**Table 2: Data Fields to be included in the following two (2) monthly reports:**

<b>Monthly Usage Report</b>	<b>Monthly Commission Report</b>	<b>Monthly Adder Report</b>
Name of Aggregation	Name of Aggregation	Name of Aggregation
LDC Account Number	LDC Account Number	
Name of Utility	Name of Utility	
Rate Class	Rate Class	
Customer Name	Customer Name	
Name Code	Name Code	
Service Street and number	Service Street and number	
Service City	Service City	
Service State	Service State	
Service Zip Code	Service Zip Code	
Read Cycle	Read Cycle	
LDC Read Month	LDC Read Month	
Account Status (Active/Inactive)	Account Status (Active/Inactive)	
Account Start date	Account Start date	
Account End date	Account End date	
Usage From Date	Usage From Date	
Usage To date	Usage To date	
Usage (kWh)	Usage (kWh)	Usage (kWh)
ICAP (kW)	ICAP (kW)	
Load Zone	Load Zone	
Product (Standard / Green / Other)	Commission rate (\$/kWh)	Adder rate (\$/kWh)
Price	Commission paid (\$/ Month)	Adder paid (\$/month)

**EXHIBIT C (RESERVED)**

## EXHIBIT D

### CUSTOMER SERVICE POLICY AND PRACTICES

The detailed terms of service are more fully described in the Agreement executed on October 28, 2020 which is posted and available on the Direct Energy web site at the following link: [www.directenergy.com/aggregations/cityofcambridge](http://www.directenergy.com/aggregations/cityofcambridge). Competitive Supplier will provide a copy of this Agreement to any participating Consumer that requests a copy.

It is the policy of the Competitive Supplier to provide responsive customer service to all Participating Consumers and Eligible Consumers in accordance with the following:

- 1) Provide for customer service that is reasonably accessible to all consumers during normal working hours and that allow consumers to transact business they may have with the Competitive Supplier; such customer service to include availability of Bilingual (Spanish) customer service representative; online customer chat line; customer emails responded to within one (1) business day; and after-hours voice messages answered by experienced customer service representative the following business day.
- 2) Provide a toll-free telephone number that will be established by Competitive Supplier and be available for consumers to contact Competitive Supplier during normal business hours (9:00 A.M. – 5:00 P.M Eastern Standard Time or Eastern Daylight Saving Time, as applicable, Monday through Friday) to resolve concerns, answer questions and transact business with respect to the service received from Competitive Supplier.
- 3) Process all customer transactions, including opt-ins, opt-outs, and election of optional products within five (5) business days.
- 4) Include the offer to resolve any dispute with any consumer pursuant to the dispute resolution procedures described in 220 CMR 25.02 (4), or M.G.L. c. 164, § 1F(2).
- 5) All Participating Consumers will have the right to opt-out of the Program at any time without fee, charge or penalty. Participating Consumers who opt-out will have the right to return to the Program at a price that reflects market prices at the time of their return.
- 6) Competitive Supplier will assign a senior customer service team representative, as described in Exhibit E, below, to be primary contact for the City of Cambridge.

**EXHIBIT E****SERVICE CONTACTS**

As required by Section 7.3, below, the City may contact the following representatives of the Competitive Supplier with requests for information or clarification at the telephone numbers and or email addresses listed below:

Name	Tom Prisk
Title	Manager US North Energy
Office Address	12 Greenway Plaza, Suite 250, Houston TX 77046
Telephone	713-877-3855
Email	tom.prisk@directenergy.com

Name	Brent Wilson
Title	Manager of Operations
Office Address	6502 S Yale Ave., Suite 900, Tulsa OK 74136
Telephone	918-877-8249
Email	brent.wilson@directenergy.com

These Service Contacts may be updated from time to time without the need for an amendment of this Agreement.

**EXHIBIT F**  
**CAMBRIDGE AGGREGATION PLAN**

**Attached**

**Reviewed by DOER, approved by DPU**

# City of Cambridge

## Municipal Electricity Aggregation Plan

May 26, 2017

This Municipal Electricity Aggregation Plan (“Aggregation Plan”) was developed by the City of Cambridge (the “City”) pursuant to M.G.L. c. 164, § 134, the Massachusetts Load Aggregation Statute (the “Aggregation Statute”), and describes the Cambridge Municipal Electricity Aggregation Program (“Program”), which will bring the benefits of Renewable Energy (as defined, below) and electricity choice to the residents of and businesses located in the City. The Program will feature Renewable Energy in the Power Supply (as defined, below), support for Renewable Energy projects, and maximum consumer protections, all at a price at or below the average price of Basic Service (as defined, below) power from the Local Distribution Company (as defined, below). The Program is part of the City’s efforts to promote environmental sustainability.

### 1. Defined Terms

- A. Administrative Adder – a charge included in the Supply Price (as defined, below) that funds the administrative costs of the Program.
- B. Aggregation – one or more municipalities that groups interested electricity consumers within its(their) municipal boundaries to facilitate or otherwise arrange the purchase and sale of electricity pursuant to M.G.L. c. 164, § 134.
- C. All-Requirements Service - the service under which the Competitive Supplier (as defined, below) provides all of the electrical energy, capacity, reserves, and ancillary services, transmission services, transmission to the point of delivery, distribution losses, congestion management, and all other services or products necessary to provide firm power supply to Participating Consumers (as defined, below) at the point of sale in accordance with the Competitive Electric Service Agreement (as defined, below).
- D. Basic Service - electric supply service by the Local Distribution Company (as defined, below), as defined in M.G.L. c. 164, § 1 and in orders of the Department, as amended or promulgated, as the case may be, from time to time.
- E. Community Engagement Team – a multi-agency collaborative that reaches out to underserved Cambridge families and connects them to community events and resources.
- F. Competitive Electric Service Agreement – the agreement entered into between the City and the Competitive Supplier (as defined below) selected by the City as described further herein.
- G. Competitive Supplier – an entity licensed by the Department of Public Utilities (“DPU”) to sell electricity and related services to retail customers, subject to the exceptions identified in 220 CMR 11.02.
- H. Consultant - the City’s aggregation consulting team, which consists of Peregrine Energy Group and Bay State Consultants, who were selected to provide these services for an initial term through a competitive procurement process.

- I. EDI – Electronic Data Interchange: The exchange of business data in a standardized format between business computer systems.
- J. Eligible Consumers – (i) residential, commercial, industrial, municipal, and/or other consumers of electricity who receive Basic Service from the Local Distribution Company (as defined, below) as of the effective date of the Competitive Electric Service Agreement, at one or more locations within the geographic boundaries of the City; (ii) New Consumers (as defined, below); or (iii) consumers within the City that are supplied by third party suppliers at the inception of the Program and are therefore ineligible, but that subsequently become eligible when those third party supply contracts lapse. For the avoidance of doubt, all Eligible Consumers must reside or be otherwise located at one or more locations within the geographic boundaries of the City, as such boundaries exist on the Effective Date. Participating Consumers (as defined, below) are Eligible Consumers.
- K. Local Distribution Company – the company(ies) or entity(ies), or successor company(ies) or entity(ies), that provide electricity distribution services in the City.
- L. Massachusetts Electronic Business Transactions Working Group – the working group of Massachusetts local distribution companies and competitive suppliers that facilitates the electronic business transactions process for the competitive retail electric market in Massachusetts.
- M. New Consumers - residential, commercial, industrial, municipal, or other consumers of electricity that become customers of the Local Distribution Company after the date of the initial Opt-Out Notice (as defined, below).
- N. Operational Adder - a charge that the City may elect to include in the aggregation Supply Price (as defined, below) to fund operational costs of the Program and/or to support Renewable Energy (as defined, below) projects that create benefits for Participating Consumers.
- O. Opt-Out Notice - the notice provided to Eligible Consumers notifying them of their right to opt-out of purchasing All-Requirements Service from the Competitive Supplier through the Program.
- P. Opt-Out Period – the thirty (30) day period prior to Program launch where Eligible Consumers can opt-out of purchasing All-Requirements Service from the Competitive Supplier.
- Q. Opt-Out Process - the process that enables Eligible Consumers to affirmatively elect not to participate in the Program and either remain on or revert to Basic Service.
- R. Optional Product – a Power Supply (as defined, below) option offered to Participating Consumers (as defined below), which Participating Consumers need to affirmatively elect.
- S. Participating Consumers - Eligible Consumers enrolled in the Program. Eligible Consumers who have opted out of the Program are not Participating Consumers.
- T. Power Supply – electricity including capacity and ancillary services and any associated Renewable Energy Certificates (as defined, below).
- U. Public Information Program – the information program described in Section 5.B.ii, below.

- V. Renewable Energy – as defined in M.G.L. c. 164, § 1, (i) resources whose common characteristic is that they are nondepletable or are naturally replenishable but flow-limited; or (ii) existing or emerging non-fossil fuel energy sources or technologies, which have significant potential for commercialization in New England and New York, and shall include the following: solar photovoltaic or solar thermal electric energy; wind energy; ocean thermal, wave, or tidal energy; geothermal; fuel cells; landfill gas; waste-to-energy which is a component of conventional municipal solid waste plant technology in commercial use; naturally flowing water and hydroelectric; and low emission advanced biomass power conversion technologies using such fuels such as wood, by-products or waste from agricultural crops, food or animals, energy crops, biogas, liquid biofuel including but not limited to biodiesel, organic refuse-derived fuel, or algae; provided, however, that renewable energy supplies shall not include coal, oil, natural gas except when used in fuel cells, and nuclear power.
- W. Renewable Energy Certificate – a certificate that documents the environmental attributes of the power produced from Renewable Energy projects.
- X. Renewable Portfolio Standard – the standard established pursuant to M.G.L. c. 25A, §§ 11F and 11F1/2.
- Y. Standard Product – the Power Supply that Participating Consumers will receive through the Program if they do not select an Optional Product.
- Z. Supply Price – the price paid by Participating Consumers for Power Supply including the Administrative Adder and the Operational Adder, if any.

## 2. Key Features

The key features of the City’s Program will include:

**Renewable Energy:** The City will provide support for Renewable Energy, with a focus on renewable generators that provide new Renewable Energy on the grid.

**Price:** The City will secure the Power Supply for its Aggregation by requesting competitive bids from the largest and most experienced Competitive Suppliers in the region. The City will only launch the Program when it obtains a price that meets or beats the reasonably projected price of utility Basic Service over the term of the Competitive Electric Service Agreement.

**Consumer protection:** The City’s Program will include strong consumer protections, including the ability for any customer to leave the Standard Product at any time with no fee. There will be no hidden charges of any kind.

## 3. Support for Renewable Energy

The City will use Aggregation to help reduce the community’s greenhouse gas footprint. Support for Renewable Energy will be the centerpiece of the Program. The City will evaluate several Renewable Energy strategies, including, but not limited to, those listed below, and will choose the strategy or combination of strategies that creates the most meaningful environmental impact.

- A. **Additional Renewable Energy Certificates in the Standard Product:** Under this approach, the Program’s Standard Product, which is provided to all Participating Consumers by default, would

include more Massachusetts Class 1 Renewable Energy Certificates (“RECs”) than are required by the state Renewable Portfolio Standard.

- B. **An Optional Green Product:** Under this approach, the Program would offer an Optional Product with additional renewable content over and above the Standard Product. This Optional Product would be available at an additional cost. By offering the Optional Product, the Program would enable the City’s residents and businesses to make individual choices about the environmental content of their Power Supply.
- C. **Support for New Renewable Energy Projects:** Under this approach, the Program would provide support that would lead to the development of new Renewable Energy projects.

#### 4. Statutory Requirements

The Aggregation Statute sets out the legal requirements for a municipal electricity aggregation plan. Those requirements include procedural requirements, specified plan elements, and substantive requirements. The procedural requirements are discussed below, and the other requirements in the sections that follow.

##### A. Local Approval

The Aggregation Statute requires that the City obtain approval from the local governing authority before initiating the development of the Aggregation Plan. The City satisfied the local approval requirement when the Cambridge City Council voted to initiate the process of Aggregation on June 6, 2016. The Council Order is attached hereto as Exhibit A.

##### B. Consultation with the Department of Energy Resources

The Aggregation Statute also requires the City to consult with the Department of Energy Resources (“DOER”) in developing the Aggregation Plan. The City submitted a draft of its Aggregation Plan to DOER and City officials met with DOER to discuss that draft on August 16, 2016. DOER confirmed that it had consulted with the City in a letter, dated August 30, 2016.

##### C. Citizen Review

The City made a draft of the Aggregation Plan available for review by its citizens at a public meeting on June 29, 2016. The draft Aggregation Plan was also posted on the City’s website with a comment period for the City’s electricity consumers to submit feedback.

#### 5. Elements of the Plan

The Aggregation Statute requires that the Aggregation Plan contain the following elements:

- organizational structure
- program operations
- funding
- details on rate setting and other costs to Participating Consumers
- method of entering and terminating agreements with other entities
- rights and responsibilities of Participating Consumers
- procedure for terminating the Participating Consumers

Each of those elements is discussed in turn below.

## A. Organizational Structure

The organizational structure of the Program will be as follows:

- i. **City Manager and City Council:** The Cambridge City Council authorized the initiation of the process of Aggregation. The Cambridge City Manager approves the Aggregation Plan, supervises the Consultant, and will sign the Competitive Electric Service Agreement.
- ii. **Consultant:** The Consultant will manage the Aggregation under the Cambridge City Manager's direction. The Consultant's responsibilities will include managing the Supply Procurement, developing and implementing the Public Information Program, interacting with the Local Distribution Company, and monitoring the Competitive Electric Service Agreement.
- iii. **Competitive Supplier:** The Competitive Supplier will provide power for the City's Aggregation, provide customer support including staffing, a toll-free number for customer questions, and fulfill other responsibilities as detailed in the Competitive Electric Service Agreement.

## B. Operations

Following approval of the Aggregation Plan by the DPU, the key operational steps will be:

- issue a Request for Quotations ("RFQ") and/or a Request for Proposals ("RFP") for a Competitive Supplier and a select winning Competitive Supplier
- implement a Public Information Program, including notice of the 30-day Opt-Out Period
- enroll customers and provide service, including required notifications

### i. Issue Supply Request for Proposals and Select Winning Competitive Supplier

After the DPU approves the Aggregation Plan, the next step is to procure a Competitive Electric Service Agreement.

The City will solicit bids from leading Competitive Suppliers, including those currently supplying Aggregations in Massachusetts and other states. The RFP will require that the supplier satisfy key threshold criteria, including:

- licensing by the DPU
- strong financial background
- experience serving the Massachusetts competitive electricity market or municipal electricity aggregations in other states
- demonstrated ability, supported by references, to provide strong customer service

In addition, Competitive Suppliers will be required to agree to the substantive terms and conditions of a Competitive Electric Service Agreement, substantially in the form attached as Exhibit 2 to the City's Petition to the DPU. The Competitive Electric Service Agreement requires the Competitive Supplier to:

- provide All-Requirements Service

- allow customers to exit the Standard Product at any time with no fee
- agree to specified customer service standards
- comply with all applicable federal, state and local laws and regulations

The City will solicit price bids from Competitive Suppliers that meet the threshold criteria and agree to the terms and conditions prescribed in the Competitive Electric Service Agreement. The City will request bids for a variety of terms and may request bids for a variety of pricing structures within each contract term. If none of the bids are satisfactory, the City will reject all bids and repeat the solicitation for prices as often as needed until market conditions yield a price that is acceptable to the City. The City will only accept a bid that enables it to launch the Aggregation with a price that meets or is lower than the reasonably projected price of Basic Service over the term of the Competitive Electric Service Agreement.

**ii. Implement Public Information Program, Including Notice of the Opt-Out Period**

Once a winning Competitive Supplier is selected, the City will implement a Public Information Program.

The delivery of a Public Information Program and associated materials are pivotal to ensuring clarity, participation, and enthusiasm for the Aggregation. The City will use a variety of communication vehicles to communicate the Aggregation Plan’s objectives, the primary terms and conditions of the Competitive Electric Service Agreement, and the right to opt out of the Program.

The Public Information Program will include both broad-based efforts and a 30-day Opt-Out Notice to be mailed to every Eligible Consumer on Basic Service.

*a. Broad-based Education Efforts*

The broad-based efforts will take advantage of traditional media, the internet, and social media to ensure as many people as possible learn about the City’s Aggregation. Planned elements include:

- an announcement introducing the Program and the Competitive Supplier, which will be sent to media contacts at local newspapers, local radio stations, and other outlets identified as valuable by the City.
- a dedicated informational website that explains the Aggregation Plan, community benefits, the Opt-Out Process, the environmental content of the Power Supply, and other helpful information. This site will be available during the initial outreach of the City’s Public Information Program and also on an ongoing basis so that customers can find information about the Program for its duration.
- a toll-free customer information and support hotline.
- interviews with local media outlets, including the City’s local cable access channel.
- public service announcements on the local cable access channel
- social-media-based connections with local community groups.
- informational documents that mirror the Aggregation website content and can be used as handouts during community presentations. These materials will also be made available through the website as downloadable files and in Cambridge City Hall and other public buildings.
- a community-wide presentation, open to all community members.

The City will ensure that residents with limited English proficiency have access to Program information by translating Program materials and distributing them through the City’s multi-lingual outreach program, the Community Engagement Team.

A detailed timeline for these efforts will be developed by the City as the launch of the Program gets closer.

*b. Notice of the Opt-Out Period*

In addition to broad-based education initiatives, a 30-day Opt-Out Notice will be mailed to every Eligible Consumer on Basic Service. The Opt-Out Notice will be an official City communication that will include information for opting out both before and after the launch of the Program. The notice will be sent in an envelope clearly marked as containing time-sensitive information related to the Program. The Opt-Out Notice will: (1) introduce and describe the Program; (2) inform Eligible Consumer of their right to opt-out and that they will be automatically enrolled if they do not exercise that right within 30 days; (3) explain how to opt out; and (4) prominently state all Program charges and compare the price and primary terms of the City's competitive supply under the Program to the price and terms of utility Basic Service. The draft Opt-Out Notice is attached to this Aggregation Plan as Exhibit B. The draft opt-out envelope is attached to this Plan as Exhibit C.

The direct mailing will include an opt-out reply card and reply envelope. Customers will have 30 days from the date of the mailing to return the reply card if they wish to opt out of the Program before launch of the Program. The Opt-Out Notice will be designed by the City and printed and mailed by the Competitive Supplier, who will process the opt-out replies. The draft opt-out reply card is attached to this Plan as Exhibit D.

In addition to the opt-out reply card, customers will be able to opt-out using the Program website or by calling the Competitive Supplier's toll-free number.

Eligible Consumers that opt out during the 30-day, pre-launch period will not be enrolled in the Program. Those Eligible Consumer that do not opt out during that period will be enrolled in the Program; however they will be free to opt out at any time thereafter. They will be able to opt out using the Program website or by calling the Competitive Supplier's toll-free number.

**iii. Enroll Customers and Provide Service, Including Information Disclosure**

After the completion of the Opt-Out Period, the Competitive Supplier will enroll into the Program all Eligible Consumers that did not opt out. All enrollments and other transactions between the Competitive Supplier and the Local Distribution Company will be conducted in compliance with the relevant provisions of DPU regulations and the protocols of the Massachusetts Electronic Business Transactions Working Group.

Once customers are enrolled, the Competitive Supplier will provide All-Requirements Supply Service to Participating Consumers. The Competitive Supplier will also provide ongoing customer service and process new customer enrollments, ongoing opt-outs, opt-back-ins, and customer selections of Optional Products. Prior to the expiration of the initial Competitive Electric Service Agreement, the City intends to enter a new supply agreement.

The City will provide consumers with information regarding the ongoing operations of the Program, including program details, program changes and power supply sources. The City will notify customers of the execution of all Competitive Electric Service Agreements and changes in prices through website postings, press releases, and public notices. The City will post the current prices on the Program website.

As part of its ongoing service, the City will provide the disclosure information required by G.L. c. 164, § 1(F)(6) and 220 C.M.R. § 11.06. The City has requested a waiver from the DPU with respect to the requirement that the disclosure label be mailed to every Participating Consumer and is seeking permission instead to provide the information through alternative means, including press releases, announcements on cable television, postings at Cambridge City Hall, and postings on the Program website. The DPU, in approving aggregation plans for other municipalities has found that this alternate information disclosure strategy allows municipalities to provide required information to their customers as effectively as through mailings.

#### iv. Annual Report to DOER

On an annual basis, the City will report to the DOER on the status of the Program, the number of customers enrolled and opting-out, kilowatt-hour sales, customer savings, participation in Optional Products, and such other information as the DOER may request.

### C. Funding

Below are all of the costs of the Program, which will be funded through the Competitive Electric Service Agreement.

- i. **Power Supply Charges.** The primary cost will be the Competitive Supplier's charges for the Power Supply. These charges will be established through the competitive solicitation for a Competitive Supplier.
- ii. **Operational Adder.** The City may direct the Competitive Supplier to include in the Supply Price an Operational Adder to be payable by the Competitive Supplier to the City. Funds collected through the Operational Adder will be used to support the operational costs of the Program and/or to support Renewable Energy projects that create benefits for Participating Consumers. The amount of the Operational Adder and the budget for the use of funds collected through the Operational Adder will be approved by the Cambridge City Manager in writing. If the City chooses to implement the Operational Adder, the Program website and Opt-Out Notice will note that the Supply Price includes the Operational Adder.
- iii. **Administrative Costs.** The administrative costs of the Program will be funded through a per kilowatt-hour Administrative Adder that will be included in the Supply Price and paid by the Competitive Supplier to the Consultants, as specified in the Competitive Electric Service Agreement. This fee will cover the services of the Consultants, including developing the Aggregation Plan, managing the DPU approval process, managing the procurement of the Competitive Supplier, developing and implementing the Public Education Plan, providing customer support, interacting with the Local Distribution Company, monitoring the Competitive Electric Service Agreement, and providing ongoing reports. This charge has been set initially at \$0.00075 per kilowatt-hour and was established through the competitive solicitation that the City conducted for the Consultant.

### D. Rate Setting and Other Costs to Participating Consumers

The Program's electricity supply charges will be set through a competitive bidding process and will include the Administrative Adder and, if applicable, an Operational Adder. Prices, terms, and conditions will vary by product and may differ among customer classes. The City will seek bids for a variety of terms and may

also seek bids for a variety of pricing periods within each contract term. For each customer class, prices will be fixed for periods at least as long as the Basic Service price period for the class.<sup>1</sup> When prices change, the City will notify Participating Consumers by issuing a media release and posting a notice on the City's website.

The Program affects only Participating Consumers' electricity supply charges. Delivery charges will be unchanged and will continue to be charged by the Local Distribution Company in accordance with tariffs approved by the DPU.

Participating Consumers will receive one bill from the Local Distribution Company that includes both the electricity supply charge and the Local Distribution Company's delivery charges.

#### E. Method of Entering and Terminating Agreements with Other Entities

The City's process for entering, modifying, enforcing, and terminating all agreements associated with the Aggregation Plan will comply with any and all applicable, federal, state and local laws and regulations, and the provisions of the relevant agreement.

If and when the City has decided that it is timely to solicit bids for a new Competitive Electric Service Agreement, the procurement steps will be as follows:

- the City's Consultant will prepare and issue an RFQ and/or RFP on behalf of the City
- the City will receive and evaluate qualifications
- the City's Consultant will issue an RFP for prices
- the City will receive and evaluate bids and, if acceptable, execute a contract with the winning bidder. The Cambridge City Manager will be responsible for executing the Competitive Electric Service Agreement.

If the prices bid on any given bid date are not satisfactory, the City will wait to see if market conditions improve and then repeat the process.

#### F. Rights and Responsibilities of Eligible Consumers and Participating Consumers

All Participating Consumers will have the right to opt-out of the Standard Product at any time without charge. They may exercise that right by any of the following: 1) calling the Competitive Supplier's toll-free number; 2) contacting the utility and asking to be returned to Basic Service; or 3) enrolling with another Competitive Supplier.

All Participating Consumers will have the consumer protection provisions of Massachusetts law and regulations, including the right to question billing and service quality practices. Customers will be able to ask questions of and register complaints with the City, the Consultants, the Competitive Supplier, the Local Distribution Company, and the DPU. As appropriate, the City and the Consultants will direct customer complaints to the Competitive Supplier, the Local Distribution Company, or the DPU.

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<sup>1</sup> Basic Service pricing periods vary by customer class. For residential and small business customers, the prices change every six months. For medium and large business customers, prices change monthly.

Participating Consumers will be responsible for paying their bills and for providing access to metering and other equipment necessary to carry out utility operations.

As part of the Program, the Local Distribution Company will provide the Competitive Supplier and the City with Eligible Consumer information and/or data (including, but not limited to, addresses, account numbers and usage histories). The Competitive Supplier's use of such information and/or data will be limited to providing services related to the Program and for specific uses identified in the Competitive Electric Service Agreement. Unless otherwise provided in the Competitive Electric Service Agreement, the Competitive Supplier may not disclose or sell, in whole or in part, Eligible Consumer information and/or data to any third party without the Eligible Consumer's permission.

#### G. Extension or Termination of Program

Prior to the end of the term of the initial Competitive Electric Service Agreement, the City will solicit bids for a new Competitive Electric Service Agreement and will plan to continue the Program with the same or a new Competitive Supplier.

Although the City is not contemplating a termination date, the Program could be terminated upon the termination or expiration of the Competitive Electric Service Agreement without any extension, renewal, or negotiation of a subsequent Competitive Electric Service Agreement, or upon the decision of the Cambridge City Manager to dissolve the Program effective on the end date of any outstanding Competitive Electric Service Agreement. In the event of termination, customers would return to Basic Service unless the customers choose an alternative Competitive Supplier.

The City will notify the Local Distribution Company of the planned termination or extension of the Program. In particular, the City will provide notice: (1) 90 days prior to a planned termination of the Program; (2) ninety (90) days prior to the end of the anticipated term of the Program's Competitive Electric Service Agreement; and (3) four (4) business-days after the successful negotiation of a new Competitive Electric Service Agreement.

The City will notify consumers of Program termination by issuing a media release and posting a notice on the City website. In addition, consumers will receive notice of a supplier change on their bill from the Local Distribution Company.

### 6. Substantive Requirements

The Statute also requires that the Aggregation Plan satisfy three substantive requirements:

- universal access
- reliability
- equitable treatment of all customer classes

The City's Program will satisfy all three requirements, as discussed below.

#### A. Universal Access

The Aggregation Plan provides for universal access by guaranteeing that all customer classes will be included in the Program under equitable terms.

Most importantly, all Eligible Consumers will have access to the Program. All existing Basic Service customers will be automatically enrolled in the Program unless they choose to opt out.

As New Consumers move into the City, they will have an opportunity to join the program. New Consumers will initially be placed on basic service. They will then receive an opt-out notice and will be enrolled in the aggregation unless they choose to opt out within the 30-day opt-out period. New Consumers will be offered the same price as the existing Participating Consumers, with the exception of new Very Large Commercial and Industrial Customers (“VLC&I Customers”). New VLC&I Customers are defined as any customer that is on the utility’s largest rate class and has historical or projected consumption in excess of 1,000,000 kWh per year. New VLC&I Customers, if any, will be offered a price that reflects market prices at the time of enrollment.

All customers will have the right to opt-out of the Program at any time. Customers that opt-out will have the right to return to the Program at a price that reflects market prices at the time of their return.

## B. Reliability

Reliability has both physical and financial components. The Program will address both through the Competitive Electric Service Agreement with the Competitive Supplier. From a physical perspective, the Competitive Electric Service Agreement commits the Competitive Supplier to provide All-Requirements Supply and to use proper standards of management and operations (Competitive Electric Service Agreement, Article 2.) The Local Distribution Company will remain responsible for delivery service, including the physical delivery of power to the consumer, maintenance of the delivery system that delivers electricity to customers, and restoration of power in the event of an outage. From a financial perspective, the Competitive Electric Service Agreement requires the Competitive Supplier to pay actual damages for any failure to provide supply at the contracted rate (i.e., to pay the difference between the contract rate and the utility supply rate). The Competitive Electric Service Agreement also requires the Competitive Supplier to maintain insurance (Competitive Electric Service Agreement, Article 16). Accordingly, the Program satisfies the reliability requirement of the statute.

## C. Equitable Treatment of all Customer Classes

The Aggregation Statute requires “equitable” treatment of all customer classes. The DPU, in reviewing Aggregation plans for other municipalities, has determined that this does not mean that all customers must be treated “equally,” but rather that similarly-situated classes be treated “equitably.” In particular, the DPU has allowed variations in pricing and terms and conditions between customer classes to account for the disparate characteristics of those classes.

The Program makes four distinctions between groupings of customers.

- i. The Program will distinguish among customer classes (residential, commercial, industrial) by soliciting separate pricing for each of those classes. The Program will use the same customer classes that the Local Distribution Company uses for its Basic Service pricing.
- ii. The Program will distinguish between customers receiving the Standard Product and customers that affirmatively choose an Optional Product, such as a green product. Customers selecting an Optional Product will be charged the price and receive the terms of service associated with that product.
- iii. As described above under “Universal Access,” among New Customers, the Program may distinguish between a) New VLC&I Customers, and b) all other New Customers. The Program will offer New Customers other than New VLC&I Customers the standard contract pricing.

However, the Program will offer new VLC&I Customers pricing based on market prices at the time the customer seeks to join the Aggregation.

- iv. Consistent with DPU rulings, among Eligible Customers that are served by a Competitive Supplier at the time of Program launch and later seek to join the Aggregation, the Program will distinguish between a) residential and small C&I customers, and b) medium, large, and very large C&I customers. Residential and small C&I customers will be offered standard contract pricing. Medium, large, and very large C&I customers will be offered market-based rates which will reflect market conditions at the time the customer seeks to join the Aggregation.

## 7. PLANNED SCHEDULE

Milestone	Day Estimate
RFQ for Competitive Supplier issued	Day 1
RFP for final Supply Prices issued	Day 35
Competitive Electric Supply Agreement executed	Day 49
Broad-based educational campaign begins, including the announcement of Competitive Electric Service Agreement and pricing and the launch of Program website.	Day 50
Opt-Out Notice mailed to customers	Day 56
Opt-out deadline	Day 86
Service begins as of each customer's next meter read date	Day 90

The planned schedule is presented for illustrative purposes. The final schedule will be established when the City receives regulatory approval from the DPU.<sup>2</sup>

## 8. CONCLUSION

The Program meets all of the requirements of the Aggregation Statute, including providing universal access and a reliable Power Supply and treating all customer classes equitably.

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<sup>2</sup> The planned schedule is designed to give the Competitive Supplier sufficient time to satisfy EDI testing requirements. However, the schedule will be adjusted if additional time is needed to meet those requirements.

EXHIBIT A

Cambridge City Council Order Authorizing Aggregation



City of Cambridge

City Manager Agenda  
Item #13  
**IN CITY COUNCIL**  
June 6, 2016

ORDERED: The City Council, with the approval of the City Manager, hereby authorizes the City of Cambridge to initiate the process of aggregating the electric load of consumers within the City pursuant to M.G.L. Chapter 164, Section 134.

In City Council June 6, 2016.  
Adopted by the affirmative vote of nine members.  
Attest:- Donna P. Lopez, City Clerk

A true copy;

ATTEST:-

Handwritten signature of Donna P. Lopez in cursive.

Donna P. Lopez, City Clerk

JUN 16 2016

CERTIFIED COPY

Handwritten signature of Donna P. Lopez in cursive, underlined.  
City Clerk

## EXHIBIT B

### Opt-Out Notice



## CITY OF CAMBRIDGE

### COMMUNITY ELECTRICITY AGGREGATION PROGRAM NOTIFICATION LETTER

<MONTH> <DAY>, 2017

Dear Cambridge resident or business,

This letter contains important information about your electricity bill.

You currently have Eversource Basic Service. This means Eversource delivers your electricity, and Eversource is also your electricity supplier (they buy electricity for you).

In July, the City of Cambridge will launch an electricity aggregation program called **Cambridge Community Electricity**. Eversource will continue delivering your electricity, but the City will select its own electricity supplier. This program will give you a price that is the same as or lower than Eversource Basic Service at program launch, and it will increase the amount of renewable energy you receive.

**You will be AUTOMATICALLY enrolled in Cambridge Community Electricity, unless you choose not to participate. Participation is not required.**

**Participation means:** You will see <SUPPLIER NAME> and the program price under Supply Services on your Eversource bill beginning in August 2017 and ending in <MONTH> 20XX. Cambridge has negotiated a XX-month contract with <SUPPLIER NAME>. However, your primary relationship for electricity will continue to be with Eversource:

- Your bill will continue to come from Eversource
- You will continue to send bill payments to Eversource
- You will continue to call Eversource if your power goes out

**If you are eligible for a low-income delivery rate or fuel assistance, you will continue to receive those benefits.**

**Choosing not to participate means:** Eversource will continue to be your electricity supplier, and the supply portion of your bill will remain on the Eversource Basic Service rate.

#### Benefits of participating

**Savings** - The program price will be the same as or lower than Eversource Basic Service at program launch. However, the Eversource basic service price changes every six months for residential and small commercial customers and every three months for medium and large commercial customers. As a result, the program price may not remain below the Eversource basic service price, and savings cannot be guaranteed.

**Local, renewable electricity** - Your electricity will now include more solar energy than the minimum required by the state, and that extra solar energy will come from projects located in or near Cambridge.

**Choice** - The program gives you two options: 1) Standard Green, with X% more solar energy than required by the state, and 2) 100% Green. You will be automatically enrolled in Standard Green, but you may choose 100% Green. *(Details on back.)*

### Cambridge Community Electricity

Your new electricity supply price

<X.XX> ¢/kWh

Eversource residential Basic Service

<X.XX> ¢/kWh

Eversource business rates on the back. ▶

Customer support:

1-800-XXX-XXXX

#### Don't want to participate?

**You don't have to. There is no penalty or fee to opt out of the program, and you may opt out at any time.**

If you choose not to participate, you will remain an Eversource Basic Service customer.

To opt out before the program begins, do one of the following before <MONTH> <DAY>, 2017:

- ▶ Sign & return the enclosed card, call <SUPPLIER> at 1-8XX-XXX-XXXX, or opt out online at [www.masspowerchoice.com/cambridge](http://www.masspowerchoice.com/cambridge)

To opt out in the future, do one of the following at any time:

- ▶ Call <SUPPLIER> at 1-8XX-XXX-XXXX or opt out online at [www.masspowerchoice.com/cambridge](http://www.masspowerchoice.com/cambridge)

## Program options and pricing

<b>1. If you do nothing, you will be automatically enrolled in STANDARD GREEN:</b>		<b>X.XXX €/kWh*</b> for residential, small business, and large business accounts <i>(This is the least expensive option)</i>
<b>Renewable energy content</b>	<b>X% more solar energy than required by the state.**</b>	
<b>Rate term</b>	<MONTH> 2017 meter read - <MONTH> <YEAR> meter read.	
<b>Exit terms</b>	Leave any time. No exit fee.	
<b>2. If you want 100% renewable energy, you may choose 100% GREEN:</b>		<b>X.XXX €/kWh*</b> for residential, small business, and large business accounts <i>(This is the more expensive option)</i>
<b>▶ To choose 100% GREEN, call &lt;SUPPLIER NAME&gt; at 1-8XX-XXX-XXXX.</b>		
<b>Renewable energy content</b>	<b>100% clean energy from renewable energy projects in New England.</b>	
<b>Rate term</b>	<MONTH> 2017 meter read - <MONTH> <YEAR> meter read.	
<b>Exit terms</b>	Leave any time. No exit fee.	
<b>3. If you choose not to participate, you will remain on EVERSOURCE BASIC SERVICE:</b>		<b>X.XXX €/kWh</b> residential <b>X.XXX €/kWh</b> small business <b>X.XXX €/kWh</b> large business
<b>Renewable energy content</b>	Meets Massachusetts minimum renewable energy requirements.	
<b>Rate term</b>	July 1, 2017 - December 31, 2017, for residential and small business accounts. July 1, 2017 - September 30, 2017, for large business accounts. Eversource's fixed Basic Service rates change every 6 months for residential and small business accounts and every 3 months for large business accounts.	
<b>Exit terms</b>	Leave any time. No exit fee.	

\* The Standard Green price and the 100% Green price both include a \$0.00075/kWh administration fee.

\*\* The purchase of additional solar energy refers specifically to the purchase of Massachusetts Solar Renewable Energy Certificates (SRECs) from SREC II-eligible projects, in addition to the minimum required by the state.

## Frequently asked questions

**Are savings guaranteed?** No. The program price is guaranteed to be the same as or lower than Eversource only until the end of the current Eversource rate term. The Eversource rate will next change on October 1, 2017, for large business accounts and on January 1, 2018, for residential and small business accounts.

**I joined a green power program already. What should I do?** If you have already joined a green power program, you can also participate in Cambridge Community Electricity, but you may not wish to do both. For more information, contact the consultants hired by the City to answer questions about this program at **1-844-379-9935** or **cambridge@masspowerchoice.com**.

**I have solar panels on my property. Will I continue to receive net metering credits?** Yes. Net metering will work the same way if you participate in the program. Your net metering credits from your solar panels will continue to appear on your Eversource bill and will continue to be calculated based on Eversource's Basic Service price.

If you have any additional questions, please contact customer support at **1-844-379-9934** or **cambridge@masspowerchoice.com**, or visit **www.masspowerchoice.com/cambridge**. Our program consultants will be happy to help you.

Louis DePasquale  
City Manager

## EXHIBIT C

### Opt-Out Envelope

	<p><b>CITY OF CAMBRIDGE</b> C/O VENDOR NAME [Street address] [City], XX 00000-0000</p>	<p>PRESORTED STANDARD US POSTAGE PAID CITY, XX PERMIT, NO XXXX</p>
<p><b>Time-sensitive notice sent on behalf of the City regarding your electricity rates.</b></p>		

EXHIBIT D

Opt-Out Reply Card

**OPT-OUT REPLY CARD**

**CAMBRIDGE ELECTRICITY CHOICE  
OPT-OUT REPLY CARD**

**OPT-OUT INSTRUCTIONS**

You do not need to take any action to participate in Cambridge Electricity Choice.

If you **do not** wish to participate:

1. Sign and date this card
2. Drop it in the mail

X \_\_\_\_\_  
Signature Date

This card must be signed by the Customer of Record whose name appears in the address on this card. You must return the card by <MONTH> <DAY>, <YEAR>, to opt out of the program before program launch on <MONTH> <DAY>, <YEAR>.